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Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

▶ The organization may have to use a copy of this return to satisfy state reporting requirements

OMB No 1545-0047

2012

Open to Public Inspection

A For the 2012 calendar year, or tax year beginning 01-01-2012 , 2012, and ending 12-31-2012

B Check if applicable
- ☐ Address change
- ☐ Name change
- ☐ Initial return
- ☐ Terminated
- ☐ Amended return
- ☐ Application pending

C Name of organization
Samaritan Hospital

Doing Business As

Number and street (or P O box if mail is not delivered to street address) | Room/suite
2215 Burdett Avenue

City or town, state or country, and ZIP + 4
Troy, NY 12180

D Employer identification number
14-1338544

E Telephone number
(518) 271-5073

G Gross receipts $ 139,575,978

F Name and address of principal officer
Norman Dascher
2215 Burdett Avenue
Troy, NY 12180

H(a) Is this a group return for affiliates? ☐ Yes ☑ No

H(b) Are all affiliates included? ☐ Yes ☐ No
If "No," attach a list (see instructions)

H(c) Group exemption number ▶

I Tax-exempt status ☑ 501(c)(3) ☐ 501(c) ( ) ◀ (insert no) ☐ 4947(a)(1) or ☐ 527

J Website: ▶ www nehealth com

K Form of organization ☑ Corporation ☐ Trust ☐ Association ☐ Other ▶

L Year of formation 1898

M State of legal domicile NY

Part I Summary

1 Briefly describe the organization's mission or most significant activities
Samaritan Hospital's mission is to improve the health of the community by providing high quality, cost effective inpatient, outpatient, primary care and community outreach services with an emphasis on patient safety and satisfaction

2 Check this box ▶☐ if the organization discontinued its operations or disposed of more than 25% of its net assets

Activities & Governance

3	Number of voting members of the governing body (Part VI, line 1a)	**3**	40
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	32
5	Total number of individuals employed in calendar year 2012 (Part V, line 2a)	**5**	1,839
6	Total number of volunteers (estimate if necessary)	**6**	256
7a	Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	1,610,663
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	396,062

		Prior Year	Current Year
Revenue	**8** Contributions and grants (Part VIII, line 1h)	1,747,709	1,589,288
	9 Program service revenue (Part VIII, line 2g)	124,301,754	125,084,680
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	198,786	4,122,421
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	2,429,712	6,311,801
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	128,677,961	137,108,190
Expenses	**13** Grants and similar amounts paid (Part IX, column (A), lines 1–3)	0	0
	14 Benefits paid to or for members (Part IX, column (A), line 4)	0	0
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	66,836,811	70,603,724
	16a Professional fundraising fees (Part IX, column (A), line 11e)	0	0
	b Total fundraising expenses (Part IX, column (D), line 25) ▶0		
	17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	56,602,508	54,176,337
	18 Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	123,439,319	124,780,061
	19 Revenue less expenses Subtract line 18 from line 12	5,238,642	12,328,129

		Beginning of Current Year	End of Year
Net Assets or Fund Balances	**20** Total assets (Part X, line 16)	128,016,469	139,898,444
	21 Total liabilities (Part X, line 26)	39,597,072	40,790,759
	22 Net assets or fund balances Subtract line 21 from line 20	88,419,397	99,107,685

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge

Sign Here

****** | 2013-11-14
Signature of officer | Date

Daniel Kochie CFO Acute Care Troy
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
William J Homer				P00994519

Firm's name ▶ DELOITTE TAX LLP | Firm's EIN ▶ 86-1065772

Firm's address ▶ 1700 MARKET STREET 25TH FLOOR
PHILADELPHIA, PA 191033984 | Phone no (215) 246-2300

May the IRS discuss this return with the preparer shown above? (see instructions) ☑ Yes ☐ No

Part III **Statement of Program Service Accomplishments**

Check if Schedule O contains a response to any question in this Part III . . . . . ☑

1 Briefly describe the organization's mission

To provide a high-quality, accessible continuum of healthcare, supportive housing and community services

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? . . . . . ☐ Yes ☑ No

If "Yes," describe these new services on Schedule O

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? . . . . . ☐ Yes ☑ No

If "Yes," describe these changes on Schedule O

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported

4a (Code) (Expenses $ 29,343,136 including grants of $) (Revenue $ 48,377,096)

238 (certified) bed acute facility providing inpatient services including medical, surgical, progressive care, intensive care and coronary care

4b (Code) (Expenses $ 26,917,332 including grants of $) (Revenue $ 22,929,809)

Diagnostic treatment and ancillary services including laboratory, blood bank,diagnostic imaging, nuclear medicine, pharmacy, respiratory, physical medicine, audiology and speech

4c (Code) (Expenses $ 24,083,613 including grants of $) (Revenue $ 17,845,208)

Outpatient and community outreach services including emergency room, cancer treatment, primary care preventive health care and injury management services

(Code) (Expenses $ 14,496,793 including grants of $) (Revenue $ 39,788,348)

Surgical servcies including operating room, anesthesiology and post anesthesia care provided to patients on both an inpatient and outpatient basis

4d Other program services (Describe in Schedule O)

(Expenses $ 14,496,793 including grants of $) (Revenue $ 39,788,348)

4e **Total program service expenses** ▶ 94,840,874

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1	Yes	
2	Is the organization required to complete *Schedule B, Schedule of Contributors* (see instructions)?	2	Yes	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		No
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? *If "Yes," complete Schedule C, Part II*	4		No
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? *If "Yes," complete Schedule C, Part III*	5		No
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? *If "Yes," complete Schedule D, Part II*	7		No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		No
9	Did the organization report an amount in Part X, line 21 for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9		No
10	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10	Yes	
11	If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable			
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? *If "Yes," complete Schedule D, Part VI.*	11a	Yes	
b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VII*	11b	Yes	
c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VIII*	11c		No
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part IX*	11d	Yes	
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X*	11e	Yes	
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? *If "Yes," complete Schedule D, Part X*	11f		No
12a	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI and XII*	12a		No
b	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional*	12b	Yes	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		No
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		No
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at $100,000 or more? *If "Yes," complete Schedule F, Parts I and IV*	14b		No
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or assistance to any organization or entity located outside the United States? *If "Yes," complete Schedule F, Parts II and IV*	15		No
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or assistance to individuals located outside the United States? *If "Yes," complete Schedule F, Parts III and IV*	16		No
17	Did the organization report a total of more than $15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? *If "Yes," complete Schedule G, Part I (see instructions)*	17		No
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18		No
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		No
20a	Did the organization operate one or more hospital facilities? *If "Yes," complete Schedule H*	20a	Yes	
b	If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	20b	Yes	

Part IV Checklist of Required Schedules *(continued)*

21	Did the organization report more than $5,000 of grants and other assistance to any government or organization in the United States on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	**21**		No
22	Did the organization report more than $5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	**22**		No
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If "Yes," complete Schedule J*	**23**	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25*	**24a**		No
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	**24b**		
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	**24c**		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	**24d**		
25a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	**25a**		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If "Yes," complete Schedule L, Part I*	**25b**		No
26	Was a loan to or by a current or former officer, director, trustee, key employee, highest compensated employee, or disqualified person outstanding as of the end of the organization's tax year? *If "Yes," complete Schedule L, Part II*	**26**		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? *If "Yes," complete Schedule L, Part III*	**27**	Yes	
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28a**		No
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28b**		No
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? *If "Yes," complete Schedule L, Part IV*	**28c**	Yes	
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	**29**		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	**30**		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	**31**		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	**32**		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? *If "Yes," complete Schedule R, Part I*	**33**		No
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1*	**34**	Yes	
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	**35a**	Yes	
b	If 'Yes' to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2*	**35b**	Yes	
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	**36**		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	**37**		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? **Note.** All Form 990 filers are required to complete Schedule O	**38**	Yes	

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response to any question in this Part V . . . . . ☐

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable . .	1a	97		
b	Enter the number of Forms W-2G included in line 1a *Enter -0-* if not applicable	1b	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?			1c	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a	1,839		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? **Note.** If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)			2b	Yes
3a	Did the organization have unrelated business gross income of $1,000 or more during the year? . . .			3a	Yes
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*			3b	Yes
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?			4a	No
b	If "Yes," enter the name of the foreign country ▶ _____ See instructions for filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? . .			5a	No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?			5b	No
c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?			5c	
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions? . . .			6a	No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?			6b	
7	**Organizations that may receive deductible contributions under section 170(c).**				
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?			7a	No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?			7b	
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?			7c	No
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d	0		
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?			7e	No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . .			7f	No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?			7g	
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?			7h	
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?			8	
9	**Sponsoring organizations maintaining donor advised funds.**				
a	Did the organization make any taxable distributions under section 4966?			9a	
b	Did the organization make a distribution to a donor, donor advisor, or related person?			9b	
10	**Section 501(c)(7) organizations.** Enter				
a	Initiation fees and capital contributions included on Part VIII, line 12 . . .	10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b			
11	**Section 501(c)(12) organizations.** Enter				
a	Gross income from members or shareholders	11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b			
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?			12a	
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b			
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**				
a	Is the organization licensed to issue qualified health plans in more than one state? **Note.** See the instructions for additional information the organization must report on Schedule O			13a	
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b			
c	Enter the amount of reserves on hand	13c			
14a	Did the organization receive any payments for indoor tanning services during the tax year?			14a	No
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O* . .			14b	

Part VI **Governance, Management, and Disclosure** *For each "Yes" response to lines 2 through 7b below, and for a "No" response to lines 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.*

Check if Schedule O contains a response to any question in this Part VI . . . . . ☑

Section A. Governing Body and Management

				Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	**1a**	40		
	If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O				
b	Enter the number of voting members included in line 1a, above, who are independent	**1b**	32		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	**2**		Yes	
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? .	**3**			No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	**4**			No
5	Did the organization become aware during the year of a significant diversion of the organization's assets? .	**5**			No
6	Did the organization have members or stockholders?	**6**		Yes	
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	**7a**		Yes	
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	**7b**		Yes	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following				
a	The governing body?	**8a**		Yes	
b	Each committee with authority to act on behalf of the governing body?	**8b**		Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If "Yes," provide the names and addresses in Schedule O*	**9**			No

Section B. Policies (*This Section B requests information about policies not required by the Internal Revenue Code.*)

			Yes	No
10a	Did the organization have local chapters, branches, or affiliates?	**10a**		No
b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?	**10b**		
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	**11a**	Yes	
b	Describe in Schedule O the process, if any, used by the organization to review this Form 990			
12a	Did the organization have a written conflict of interest policy? *If "No," go to line 13*	**12a**	Yes	
b	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	**12b**	Yes	
c	Did the organization regularly and consistently monitor and enforce compliance with the policy? *If "Yes," describe in Schedule O how this was done*	**12c**	Yes	
13	Did the organization have a written whistleblower policy?	**13**	Yes	
14	Did the organization have a written document retention and destruction policy?	**14**	Yes	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?			
a	The organization's CEO, Executive Director, or top management official	**15a**	Yes	
b	Other officers or key employees of the organization	**15b**	Yes	
	If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions)			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	**16a**		No
b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?	**16b**		

Section C. Disclosure

17 List the States with which a copy of this Form 990 is required to be filed ▶ NY

18 Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection Indicate how you made these available Check all that apply

☐ Own website ☐ Another's website ☑ Upon request ☐ Other (explain in Schedule O)

19 Describe in Schedule O whether (and if so, how), the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization

▶ Daniel Kochie 2215 Burdett Ave Troy, NY (518) 268-5757

Part VII Compensation of Officers, Directors,Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Check if Schedule O contains a response to any question in this Part VII . . . . . ☐

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed Report compensation for the calendar year ending with or within the organization's tax year

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation Enter -0- in columns (D), (E), and (F) if no compensation was paid
- List all of the organization's **current** key employees, if any See instructions for definition of "key employee "
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than $100,000 from the organization and any related organizations
- List all of the organization's **former** officers, key employees, or highest compensated employees who received more than $100,000 of reportable compensation from the organization and any related organizations
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than $10,000 of reportable compensation from the organization and any related organizations

List persons in the following order individual trustees or directors, institutional trustees, officers, key employees, highest compensated employees, and former such persons

☐ Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
See Additional Data Table										

Part VII **Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees** *(continued)*

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
1b **Sub-Total** . . . . . ▶										
c **Total from continuation sheets to Part VII, Section A** . . . . ▶										
d **Total (add lines 1b and 1c)** . . . . . ▶								2,840,301	3,250,236	546,107

2 Total number of individuals (including but not limited to those listed above) who received more than $100,000 of reportable compensation from the organization ▶ 67

			Yes	No
3	Did the organization list any **former** officer, director or trustee, key employee, or highest compensated employee on line 1a? *If "Yes," complete Schedule J for such individual*	**3**		No
4	For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than $150,000? *If "Yes," complete Schedule J for such individual*	**4**	Yes	
5	Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? *If "Yes," complete Schedule J for such person*	**5**		No

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than $100,000 of compensation from the organization Report compensation for the calendar year ending with or within the organization's tax year

(A) Name and business address	(B) Description of services	(C) Compensation
HMP of Samaritan PLLC 4535 Dressler Road NW Canton OH 44718	Medical Services	1,615,082
Labcorp of America Holdings PO Box 1214 Burlington NC 27216	Laboratory Services	1,463,730
Morrison Management Services PO Box 102289 Atlanta GA 30368	Food Management Services	1,225,990
All About Staffing Inc 1000 Sawgrass Corporate Parkway 6t Sunrise FL 33323	Patient Services	1,047,992
Favorite Healthcare Staffing Inc PO Box 803356 Kansas City MO 64180	Patient Services	873,454
2 Total number of independent contractors (including but not limited to those listed above) who received more than $100,000 of compensation from the organization ▶ 22		

Part VIII Statement of Revenue

Check if Schedule O contains a response to any question in this Part VIII . . . . . ☐

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, Gifts, Grants and Other Similar Amounts	1a	Federated campaigns	1a				
	b	Membership dues	1b				
	c	Fundraising events	1c				
	d	Related organizations	1d	278,479			
	e	Government grants (contributions)	1e	1,310,809			
	f	All other contributions, gifts, grants, and similar amounts not included above	1f				
	g	Noncash contributions included in lines 1a-1f $					
	h	**Total.** Add lines 1a-1f		1,589,288			
Program Service Revenue			Business Code				
	2a	Net Patient Revenue	621110	125,084,680	123,474,017	1,610,663	
	b						
	c						
	d						
	e						
	f	All other program service revenue					
	g	**Total.** Add lines 2a–2f		125,084,680			
	3	Investment income (including dividends, interest, and other similar amounts)		4,669,459			4,669,459
	4	Income from investment of tax-exempt bond proceeds					
	5	Royalties					
			(i) Real	(ii) Personal			
	6a	Gross rents					
	b	Less rental expenses					
	c	Rental income or (loss)					
	d	Net rental income or (loss)					
			(i) Securities	(ii) Other			
	7a	Gross amount from sales of assets other than inventory		1,920,750			
	b	Less cost or other basis and sales expenses		2,467,788			
	c	Gain or (loss)		-547,038			
	d	Net gain or (loss)			-547,038		-547,038
Other Revenue	8a	Gross income from fundraising events (not including $ _____ of contributions reported on line 1c) See Part IV, line 18	a				
	b	Less direct expenses	b				
	c	Net income or (loss) from fundraising events					
	9a	Gross income from gaming activities See Part IV, line 19	a				
	b	Less direct expenses	b				
	c	Net income or (loss) from gaming activities					
	10a	Gross sales of inventory, less returns and allowances	a				
	b	Less cost of goods sold	b				
	c	Net income or (loss) from sales of inventory					
		Miscellaneous Revenue	Business Code				
	11a	EMR Conversion	900099	2,621,607	2,621,607		
	b	All Other Revenue	900099	1,234,101	1,051,006		183,095
	c	School of Nursing	623000	956,014	956,014		
	d	All other revenue		1,500,079	837,817		662,262
	e	**Total.** Add lines 11a–11d		6,311,801			
	12	**Total revenue.** See Instructions		137,108,190	128,940,461	1,610,663	4,967,778

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns All other organizations must complete column (A)

Check if Schedule O contains a response to any question in this Part IX . . . . . ☐

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the United States See Part IV, line 21				
2 Grants and other assistance to individuals in the United States See Part IV, line 22				
3 Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	2,840,301		2,840,301	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	57,355,365	48,976,866	8,378,499	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	1,611,204	1,311,821	299,383	
9 Other employee benefits	4,530,139	3,688,380	841,759	
10 Payroll taxes	4,266,715	3,473,903	792,812	
11 Fees for services (non-employees)				
a Management	6,090,212	809,344	5,280,868	
b Legal	115,271	54,049	61,222	
c Accounting	8,244	744	7,500	
d Lobbying				
e Professional fundraising services See Part IV, line 17				
f Investment management fees				
g Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O)	9,435,581	8,226,685	1,208,896	
12 Advertising and promotion	269,548	185,395	84,153	
13 Office expenses	25,158,949	21,272,845	3,886,104	
14 Information technology				
15 Royalties . .				
16 Occupancy	3,812,548	1,035,623	2,776,925	
17 Travel	187,306	138,171	49,135	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings				
20 Interest	28,400	21,300	7,100	
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	6,561,808	4,921,356	1,640,452	
23 Insurance	743,234		743,234	
24 Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24e If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O)				
a Other fees-for-service*	602,778	16,492	586,286	0
b NYS Assessment	423,128	423,128	0	0
c Licenses/Permits	321,803	111,885	209,918	0
d Med School Contracts-SO	119,744	119,744	0	0
e All other expenses	297,783	53,143	244,640	
25 **Total functional expenses.** Add lines 1 through 24e	124,780,061	94,840,874	29,939,187	0
26 **Joint costs.** Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation Check here ▶ ☐ if following SOP 98-2 (ASC 958-720)				

Part X Balance Sheet

Check if Schedule O contains a response to any question in this Part X . . . . . ☑

				(A) Beginning of year		(B) End of year
Assets	1	Cash—non-interest-bearing			1	
	2	Savings and temporary cash investments		14,396,988	2	21,257,076
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		11,580,993	4	12,222,310
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L			5	
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Complete Part II of Schedule L			6	
	7	Notes and loans receivable, net			7	
	8	Inventories for sale or use		1,880,633	8	1,940,981
	9	Prepaid expenses and deferred charges		1,174,431	9	797,857
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a 148,306,024			
	b	Less accumulated depreciation	10b 110,363,656	39,235,210	10c	37,942,368
	11	Investments—publicly traded securities		35,190,677	11	36,737,329
	12	Investments—other securities See Part IV, line 11		9,898,976	12	16,229,634
	13	Investments—program-related See Part IV, line 11			13	
	14	Intangible assets			14	
	15	Other assets See Part IV, line 11		14,658,561	15	12,770,889
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		128,016,469	16	139,898,444
Liabilities	17	Accounts payable and accrued expenses		14,211,764	17	13,487,636
	18	Grants payable			18	
	19	Deferred revenue			19	
	20	Tax-exempt bond liabilities			20	
	21	Escrow or custodial account liability Complete Part IV of Schedule D			21	
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L			22	
	23	Secured mortgages and notes payable to unrelated third parties		437,041	23	250,181
	24	Unsecured notes and loans payable to unrelated third parties			24	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D		24,948,267	25	27,052,942
	26	**Total liabilities.** Add lines 17 through 25		39,597,072	26	40,790,759
Net Assets or Fund Balances		**Organizations that follow SFAS 117 (ASC 958), check here ▶ ☑ and complete lines 27 through 29, and lines 33 and 34.**				
	27	Unrestricted net assets		84,123,342	27	94,303,357
	28	Temporarily restricted net assets		2,302,474	28	2,819,861
	29	Permanently restricted net assets		1,993,581	29	1,984,467
		Organizations that do not follow SFAS 117 (ASC 958), check here ▶ ☐ and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		88,419,397	33	99,107,685
	34	Total liabilities and net assets/fund balances		128,016,469	34	139,898,444

Part XI Reconcilliation of Net Assets

Check if Schedule O contains a response to any question in this Part XI . . . . . ☑

1	Total revenue (must equal Part VIII, column (A), line 12)	1	137,108,190
2	Total expenses (must equal Part IX, column (A), line 25)	2	124,780,061
3	Revenue less expenses Subtract line 2 from line 1	3	12,328,129
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	88,419,397
5	Net unrealized gains (losses) on investments	5	49,294
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	-1,689,135
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	99,107,685

Part XII Financial Statements and Reporting

Check if Schedule O contains a response to any question in this Part XII . . . . . ☐

			Yes	No
1	Accounting method used to prepare the Form 990 ☐ Cash ☑ Accrual ☐ Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O			
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?	2a		No
	If 'Yes,' check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both ☐ Separate basis ☐ Consolidated basis ☐ Both consolidated and separate basis			
b	Were the organization's financial statements audited by an independent accountant?	2b		No
	If 'Yes,' check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both ☐ Separate basis ☐ Consolidated basis ☐ Both consolidated and separate basis			
c	If "Yes," to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?	2c		
	If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O			
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	3a	Yes	
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits	3b	Yes	

Additional Data

Software ID:
Software Version:
EIN: 14-1338544
Name: Samaritan Hospital

Form 990, Part VII - Compensation of Officers, Directors,Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
Altes Jane PHD Trustee	50 14 50	X						0	0	0
Boyle Steven Trustee, CEO	1 00 36 50	X		X				0	960,353	14,641
Bylancık Robert J Trustee	50 14 50	X						0	50,000	0
Cartwrıght Mark Trustee	50 14 50	X						0	0	0
Cortell Barbara Trustee	50 14 50	X						0	0	0
Dake Susan Trustee	50 14 50	X						0	0	0
DıSarro Ann Trustee	50 14 50	X						0	0	0
Doyle Rev Kenneth Trustee	50 14 50	X						0	0	0
Fılıppone John MD Trustee	50 14 50	X						0	0	0
Foley Wılliam J PHD Trustee	50 14 50	X						0	0	0
Fortune Robert Trustee	50 14 50	X						0	0	0
Goldberg Alan Trustee	50 14 50	X						0	0	0
Gordon Harold Esq 2nd Vıce	50 14 50	X						0	0	0
Guzıor Ronald L Trustee	50 14 50	X						0	0	0
Hearst George Trustee	50 14 50	X						0	0	0
Herbert Sr Phyllıs Trustee	50 14 50	X						0	0	0
Johnson Robert W III Esq Co-Chaır	50 14 50	X						0	0	0
Jones Sydney Tucker III Co-Chaır	50 14 50	X						0	0	0
Karpıak Beverly Trustee	50 14 50	X						0	0	0
Keegan Mıchael Treasurer	50 14 50	X						0	0	0
Lang John M Trustee	50 14 50	X						0	0	0
Massry Norman Trustee	50 14 50	X						0	0	0
Natwın Sr Kathleen Trustee	50 14 50	X						0	0	0
Nowak Thomas Trustee	50 14 50	X						0	0	0
Opalka Chester Trustee	50 14 50	X						0	0	0

Form 990, Part VII - Compensation of Officers, Directors,Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
Oster Russell Trustee	50 14 50	X						0	0	0
Philip George 1st Vice Chair	50 14 50	X						0	0	0
Powell Curtis Trustee	50 14 50	X						0	0	0
Puleo James H MD Trustee	50 14 50	X						0	0	0
Puleo James V MD Trustee	50 14 50	X						0	0	0
Reed James K MD Trustee, President	1 50 36 00	X		X				0	810,287	37,905
Robinson Harry Esq Trustee	50 14 50	X						0	0	0
Rosenberg Stuart MD Trustee	50 14 50	X						0	0	0
Sanders Alan MD Trustee	50 14 50	X						0	0	0
Slavin James MD Trustee	50 14 50	X						0	0	0
Somerville Sr Jane Trustee	50 14 50	X						0	0	0
Tartaglia Anthony P MD Secretary	50 14 50	X						0	0	0
Thorn Lisa MD Trustee	50 14 50	X						0	0	0
Turley Sr Kathleen Trustee	50 14 50	X						0	0	0
Tyrrell Thomas Trustee	50 14 50	X						0	0	0
Gavin James CFO	1 00 36 50			X				0	387,863	159,110
Schuhle Thomas CFO	1 00 36 50			X				0	413,459	27,530
Dascher Norman Exec VP Acute Care Troy	19 30 18 30			X				449,031	0	19,321
Silverman Daniel CMO-Acute Care Troy	19 30 18 30			X				289,640	0	23,738
Kochie Daniel CFO-Acute Care Troy	18 80 18 80			X				0	296,123	47,367
Brodbeck Kathy Exec VP, CNO	1 00 36 50			X				0	332,151	116,131
Priore Jacquiline CNO	37 50			X				154,765	0	6,375
Biguzzi Sergio Physician	40 00					X		357,685	0	9,959
Singh Vinita Physician	40 00					X		320,401	0	23,041
Field Gregory Physician	40 00					X		338,001	0	24,706

Form 990, Part VII - Compensation of Officers, Directors,Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
Silk Yusuf Physician	40 00					X		427,824	0	17,650
Gist Christopher Physician	40 00					X		502,954	0	18,633

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SCHEDULE A (Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ **Attach to Form 990 or Form 990-EZ.** ▶ **See separate instructions.**

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
Samaritan Hospital

Employer identification number
14-1338544

Part I Reason for Public Charity Status (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is (For lines 1 through 11, check only one box)

1 ☐ A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**

2 ☐ A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E)

3 ☑ A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**

4 ☐ A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state _____

5 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II)

6 ☐ A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**

7 ☐ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi).** (Complete Part II)

8 ☐ A community trust described in **section 170(b)(1)(A)(vi)** (Complete Part II)

9 ☐ An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **section 509(a)(2).** (Complete Part III)

10 ☐ An organization organized and operated exclusively to test for public safety See **section 509(a)(4).**

11 ☐ An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2) See **section 509(a)(3).** Check the box that describes the type of supporting organization and complete lines 11e through 11h

a ☐ Type I **b** ☐ Type II **c** ☐ Type III - Functionally integrated **d** ☐ Type III - Non-functionally integrated

e ☐ By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2)

f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box ☐

g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

		Yes	No
(i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?	**11g(i)**		
(ii) A family member of a person described in (i) above?	**11g(ii)**		
(iii) A 35% controlled entity of a person described in (i) or (ii) above?	**11g(iii)**		

h Provide the following information about the supported organization(s)

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1 - 9 above or IRC section (see instructions))	(iv) Is the organization in col (i) listed in your governing document?		(v) Did you notify the organization in col (i) of your support?		(vi) Is the organization in col (i) organized in the U S ?		(vii) Amount of monetary support
			Yes	No	Yes	No	Yes	No	
Total									

Part II **Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**
(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants ")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 **Total.** Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 **Public support.** Subtract line 5 from line 4						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
11 **Total support** (Add lines 7 through 10)						

12 Gross receipts from related activities, etc (see instructions) **12**

13 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and **stop here** . . . . . ▶☐

Section C. Computation of Public Support Percentage

14 Public support percentage for 2012 (line 6, column (f) divided by line 11, column (f)) **14**

15 Public support percentage for 2011 Schedule A, Part II, line 14 **15**

16a **33 1/3% support test—2012.** If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

b **33 1/3% support test—2011.** If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

17a **10%-facts-and-circumstances test—2012.** If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test The organization qualifies as a publicly supported organization ▶☐

b **10%-facts-and-circumstances test—2011.** If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test The organization qualifies as a publicly supported organization ▶☐

18 **Private foundation.** If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions ▶☐

Part III **Support Schedule for Organizations Described in Section 509(a)(2)**
(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants ")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 **Total.** Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of $5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 **Public support** (Subtract line 7c from line 6)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
13 **Total support.** (Add lines 9, 10c, 11, and 12)						

14 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and **stop here** ▶☐

Section C. Computation of Public Support Percentage

15	Public support percentage for 2012 (line 8, column (f) divided by line 13, column (f))	15	
16	Public support percentage from 2011 Schedule A, Part III, line 15	16	

Section D. Computation of Investment Income Percentage

17	Investment income percentage for **2012** (line 10c, column (f) divided by line 13, column (f))	17	
18	Investment income percentage from **2011** Schedule A, Part III, line 17	18	

19a **33 1/3% support tests—2012.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

b **33 1/3% support tests—2011.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

20 **Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ▶☐

Part IV **Supplemental Information.** Complete this part to provide the explanations required by Part II, line 10; Part II, line 17a or 17b; and Part III, line 12. Also complete this part for any additional information. (See instructions).

Facts And Circumstances Test

Explanation

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SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
Samaritan Hospital

Employer identification number
14-1338544

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

		(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year		
2	Aggregate contributions to (during year)		
3	Aggregate grants from (during year)		
4	Aggregate value at end of year		

5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? ☐ Yes ☐ No

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? ☐ Yes ☐ No

Part II Conservation Easements. Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply)
☐ Preservation of land for public use (e g , recreation or education) ☐ Preservation of an historically important land area
☐ Protection of natural habitat ☐ Preservation of a certified historic structure
☐ Preservation of open space

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year

		Held at the End of the Year
a	Total number of conservation easements	2a
b	Total acreage restricted by conservation easements	2b
c	Number of conservation easements on a certified historic structure included in (a)	2c
d	Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register	2d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶ _____

4 Number of states where property subject to conservation easement is located ▶ _____

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ▶ _____

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ $ _____

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? ☐ Yes ☐ No

9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items

b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items

(i) Revenues included in Form 990, Part VIII, line 1 ▶ $ _____

(ii) Assets included in Form 990, Part X ▶ $ _____

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items

a Revenues included in Form 990, Part VIII, line 1 ▶ $ _____

b Assets included in Form 990, Part X ▶ $ _____

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets *(continued)*

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply)

- a ☐ Public exhibition
- b ☐ Scholarly research
- c ☐ Preservation for future generations
- d ☐ Loan or exchange programs
- e ☐ Other

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII

5 During the year, did the organization solicit or receive donations of art, historical treasures or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☐ No

Part IV Escrow and Custodial Arrangements. Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIII and complete the following table

		Amount
c	Beginning balance	1c
d	Additions during the year	1d
e	Distributions during the year	1e
f	Ending balance	1f

2a Did the organization include an amount on Form 990, Part X, line 21? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIII Check here if the explanation has been provided in Part XIII . . . . . ☐

Part V Endowment Funds. Complete if the organization answered "Yes" to Form 990, Part IV, line 10.

		(a) Current year	(b) Prior year	b (c) Two years back	(d) Three years back	(e) Four years back
1a	Beginning of year balance	1,993,581	1,968,447	1,715,442	1,522,807	1,787,938
b	Contributions		25,134	450,849	-12,300	58,330
c	Net investment earnings, gains, and losses	-9,114		-197,844	204,935	-323,461
d	Grants or scholarships					
e	Other expenditures for facilities and programs					
f	Administrative expenses					
g	End of year balance	1,984,467	1,993,581	1,968,447	1,715,442	1,522,807

2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as

- a Board designated or quasi-endowment ▶
- b Permanent endowment ▶ 100 000 %
- c Temporarily restricted endowment ▶

The percentages in lines 2a, 2b, and 2c should equal 100%

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by

		Yes	No
(i) unrelated organizations	3a(i)		No
(ii) related organizations	3a(ii)	Yes	
b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?	3b	Yes	

4 Describe in Part XIII the intended uses of the organization's endowment funds

Part VI Land, Buildings, and Equipment. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		281,869		281,869
b Buildings		61,861,223	39,474,283	22,386,940
c Leasehold improvements		1,896,381	1,326,996	569,385
d Equipment		72,480,136	59,590,284	12,889,852
e Other		11,786,415	9,972,093	1,814,322
Total. Add lines 1a through 1e *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶				37,942,368

Part VII Investments—Other Securities. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1) Financial derivatives	16,229,634	F
(2) Closely-held equity interests		
Other		
Total. *(Column (b) must equal Form 990, Part X, col (B) line 12)* ▶	16,229,634	

Part VIII Investments—Program Related. See Form 990, Part X, line 13.

(a) Description of investment type	(b) Book value	(c) Method of valuation Cost or end-of-year market value
Total. *(Column (b) must equal Form 990, Part X, col (B) line 13)* ▶		

Part IX Other Assets. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1) Assets whose Use is Limited	405,285
(2) Deferred Compensation Agreements	224,196
(3) Due to/from Affiliates	1,047,160
(4) Goodwill	200,000
(5) Interest in Northeast Health Foundation	1,234,318
(6) Other Current Assets	7,363,065
(7) Rubin Dialysis Receivable	1,801,489
(8) Tuition Receivable	495,376
Total. *(Column (b) must equal Form 990, Part X, col.(B) line 15.)* . . . . . ▶	12,770,889

Part X Other Liabilities. See Form 990, Part X, line 25.

1 (a) Description of liability	(b) Book value
Federal income taxes	
Accrued Pension Liability	14,312,817
Asset Retirement Obligation	1,582,010
Deferred Compensation Payable	224,197
Due to Affiliates	419,601
Estimated Third-Party Settlements	7,799,321
A/R Credit	643,875
Malpractice/Worker's comp insurance	1,068,846
Other	1,002,275
Total. *(Column (b) must equal Form 990, Part X, col (B) line 25)* ▶	27,052,942

2. Fin 48 (ASC 740) Footnote In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740) Check here if the text of the footnote has been provided in Part XIII ☐

Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1	Total revenue, gains, and other support per audited financial statements			1	
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12				
a	Net unrealized gains on investments	2a			
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIII)	2d			
e	Add lines **2a** through **2d**			2e	
3	Subtract line **2e** from line **1**			3	
4	Amounts included on Form 990, Part VIII, line 12, but not on line **1**				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIII)	4b			
c	Add lines **4a** and **4b**			4c	
5	Total revenue Add lines **3** and **4c.** (This must equal Form 990, Part I, line 12)			5	

Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements			1	
2	Amounts included on line 1 but not on Form 990, Part IX, line 25				
a	Donated services and use of facilities	2a			
b	Prior year adjustments	2b			
c	Other losses	2c			
d	Other (Describe in Part XIII)	2d			
e	Add lines **2a** through **2d**			2e	
3	Subtract line **2e** from line **1**			3	
4	Amounts included on Form 990, Part IX, line 25, but not on line **1:**				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIII)	4b			
c	Add lines **4a** and **4b**			4c	
5	Total expenses Add lines **3** and **4c.** (This must equal Form 990, Part I, line 18)			5	

Part XIII Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9, Part III, lines 1a and 4, Part IV, lines 1b and 2b, Part V, line 4, Part X, line 2, Part XI, lines 2d and 4b, and Part XII, lines 2d and 4b Also complete this part to provide any additional information

Identifier	Return Reference	Explanation
Description of Intended Use of Endowment Funds	Part V, Line 4	The endowment funds are invested and the investment realized gains are used for the ongoing operations of the hospital or the specific purpose identified by the donor

Additional Data

Software ID:
Software Version:
EIN: 14-1338544
Name: Samaritan Hospital

Form 990, Schedule D, Part IX, - Other Assets

(a) Description	**(b)** Book value
(1) Assets whose Use is Limited	405,285
(2) Deferred Compensation Agreements	224,196
(3) Due to/from Affiliates	1,047,160
(4) Goodwill	200,000
(5) Interest in Northeast Health Foundation	1,234,318
(6) Other Current Assets	7,363,065
(7) Rubin Dialysis Receivable	1,801,489
(8) Tuition Receivable	495,376

Form 990, Schedule D, Part X, - Other Liabilities

1 **(a)** Description of Liability	**(b)** Book Value
Accrued Pension Liability	14,312,817
Asset Retirement Obligation	1,582,010
Deferred Compensation Payable	224,197
Due to Affiliates	419,601
Estimated Third-Party Settlements	7,799,321
A/R Credit	643,875
Malpractice/Worker's comp insurance	1,068,846
Other	1,002,275

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SCHEDULE H (Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

▶ Complete if the organization answered "Yes" to Form 990, Part IV, question 20.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
Samaritan Hospital

Employer identification number
14-1338544

Part I Financial Assistance and Certain Other Community Benefits at Cost

			Yes	No
1a	Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a	1a	Yes	
b	If "Yes," was it a written policy?	1b	Yes	
2	If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year			
	☐ Applied uniformly to all hospital facilities ☐ Applied uniformly to most hospital facilities ☐ Generally tailored to individual hospital facilities			
3	Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year			
a	Did the organization use Federal Poverty Guidelines (FPG) as a factor in determining eligibility for providing *free* care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for *free* care	3a	Yes	
	☑ 100% ☐ 150% ☐ 200% ☐ Other _____ %			
b	Did the organization use FPG as a factor in determining eligibility for providing *discounted* care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care	3b	Yes	
	☐ 200% ☐ 250% ☑ 300% ☐ 350% ☐ 400% ☐ Other _____ %			
c	If the organization used factors other than FPG in determining eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care Include in the description whether the organization used an asset test or other threshold, regardless of income, as a factor in determining eligibility for free or discounted care			
4	Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"?	4	Yes	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	5a	Yes	
b	If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	5b	Yes	
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligibile for free or discounted care?	5c		No
6a	Did the organization prepare a community benefit report during the tax year?	6a	Yes	
b	If "Yes," did the organization make it available to the public?	6b	Yes	
	Complete the following table using the worksheets provided in the Schedule H instructions Do not submit these worksheets with the Schedule H			

7 Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheet 1)			1,800,766		1,800,766	1 440 %
b Medicaid (from Worksheet 3, column a)			8,070,773	7,896,775	173,998	0 140 %
c Costs of other means-tested government programs (from Worksheet 3, column b)			17,093,746	14,144,194	2,949,552	2 360 %
d **Total** Financial Assistance and Means-Tested Government Programs			26,965,285	22,040,969	4,924,316	3 940 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			136		136	0 %
f Health professions education (from Worksheet 5)			1,513,677	1,456,798	56,879	0 050 %
g Subsidized health services (from Worksheet 6)			2,193,371	2,055,720	137,651	0 110 %
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)			221,880		221,880	0 180 %
j **Total.** Other Benefits			3,929,064	3,512,518	416,546	0 340 %
k **Total.** Add lines 7d and 7j			30,894,349	25,553,487	5,340,862	4 280 %

Part II **Community Building Activities** Complete this if the organization conducted any community building activities during the tax year, and describe in Part VI how its community building activities promoted the health of the communities it serves.

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1 Physical improvements and housing						
2 Economic development						
3 Community support						
4 Environmental improvements						
5 Leadership development and training for community members						
6 Coalition building						
7 Community health improvement advocacy						
8 Workforce development						
9 Other						
10 **Total**						

Part III **Bad Debt, Medicare, & Collection Practices**

Section A. Bad Debt Expense

			Yes	No
1	Did the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No 15?	1	Yes	
2	Enter the amount of the organization's bad debt expense Explain in Part VI the methodology used by the organization to estimate this amount 2 1,576,366			
3	Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy Explain in Part VI the methodology used by the organization to estimate this amount and the rationale, if any, for including this portion of bad debt as community benefit 3 81,016			
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense or the page number on which this footnote is contained in the attached financial statements			

Section B. Medicare

5	Enter total revenue received from Medicare (including DSH and IME)	5	21,988,528	
6	Enter Medicare allowable costs of care relating to payments on line 5	6	27,908,800	
7	Subtract line 6 from line 5 This is the surplus (or shortfall)	7	-5,920,272	
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6 Check the box that describes the method used			

☑ Cost accounting system ☐ Cost to charge ratio ☐ Other

Section C. Collection Practices

9a	Did the organization have a written debt collection policy during the tax year?	9a	Yes	
b	If "Yes," did the organization's collection policy that applied to the largest number of its patients during the tax year contain provisions on the collection practices to be followed for patients who are known to qualify for financial assistance? Describe in Part VI	9b	Yes	

Part IV **Management Companies and Joint Ventures** (owned 10% or more by officers, directors, trustees, key employees, and physicians—see instructions)

	(a) Name of entity	(b) Description of primary activity of entity	(c) Organization's profit % or stock ownership %	(d) Officers, directors, trustees, or key employees' profit % or stock ownership %	(e) Physicians' profit % or stock ownership %
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					

Part V Facility Information

Section A. Hospital Facilities

(list in order of size from largest to smallest—see instructions)
How many hospital facilities did the organization operate during the tax year?
1

	Name, address, and primary website address	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)	Facility reporting group
1	Samaritan Hospital 2215 Burdett Ave Troy, NY 12180	X	X					X			

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices

(Complete a separate Section B for each of the hospital facilities or facility reporting groups listed in Part V, Section A)

Name of hospital facility or facility reporting group Samaritan Hospital

For single facility filers only: line Number of Hospital Facility (from Schedule H, Part V, Section A) 1

			Yes	No
Community Health Needs Assessment (Lines 1 through 8c are optional for tax years beginning on or before March 23, 2012)				
1	During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 9	1		
	If "Yes," indicate what the CHNA report describes (check all that apply)			
a	☐ A definition of the community served by the hospital facility			
b	☐ Demographics of the community			
c	☐ Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d	☐ How data was obtained			
e	☐ The health needs of the community			
f	☐ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g	☐ The process for identifying and prioritizing community health needs and services to meet the community health needs			
h	☐ The process for consulting with persons representing the community's interests			
i	☐ Information gaps that limit the hospital facility's ability to assess the community's health needs			
j	☐ Other (describe in Part VI)			
2	Indicate the tax year the hospital facility last conducted a CHNA 20 ___			
3	In conducting its most recent CHNA, did the hospital facility take into account input from representatives of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3		
4	Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	4		
5	Did the hospital facility make its CHNA report widely available to the public?	5		
	If "Yes," indicate how the CHNA report was made widely available (check all that apply)			
a	☐ Hospital facility's website			
b	☐ Available upon request from the hospital facility			
c	☐ Other (describe in Part VI)			
6	If the hospital facility addressed needs identified in its most recently conducted CHNA, indicate how (check all that apply to date)			
a	☐ Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA			
b	☐ Execution of the implementation strategy			
c	☐ Participation in the development of a community-wide plan			
d	☐ Participation in the execution of a community-wide plan			
e	☐ Inclusion of a community benefit section in operational plans			
f	☐ Adoption of a budget for provision of services that address the needs identified in the CHNA			
g	☐ Prioritization of health needs in its community			
h	☐ Prioritization of services that the hospital facility will undertake to meet health needs in its community			
i	☐ Other (describe in Part VI)			
7	Did the hospital facility address all of the needs identified in its most recently conducted CHNA? If "No," explain in Part VI which needs it has not addressed and the reasons why it has not addressed such needs	7		
8a	Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)?	8a		
b	If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax?	8b		
c	If "Yes" to line 8b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? $___			

Part V Facility Information *(continued)*

Financial Assistance Policy		Yes	No
9 Did the hospital facility have in place during the tax year a written financial assistance policy that Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	**9**	Yes	
10 Used federal poverty guidelines (FPG) to determine eligibility for providing *free* care?	**10**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for free care 100.000000000000% If "No," explain in Part VI the criteria the hospital facility used			
11 Used FPG to determine eligibility for providing *discounted* care?	**11**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for discounted care 300.000000000000% If "No," explain in Part VI the criteria the hospital facility used			
12 Explained the basis for calculating amounts charged to patients?	**12**	Yes	
If "Yes," indicate the factors used in determining such amounts (check all that apply)			
a ☑ Income level			
b ☐ Asset level			
c ☐ Medical indigency			
d ☐ Insurance status			
e ☐ Uninsured discount			
f ☐ Medicaid/Medicare			
g ☑ State regulation			
h ☐ Other (describe in Part VI)			
13 Explained the method for applying for financial assistance?	**13**	Yes	
14 Included measures to publicize the policy within the community served by the hospital facility?	**14**	Yes	
If "Yes," indicate how the hospital facility publicized the policy (check all that apply)			
a ☑ The policy was posted on the hospital facility's website			
b ☐ The policy was attached to billing invoices			
c ☐ The policy was posted in the hospital facility's emergency rooms or waiting rooms			
d ☐ The policy was posted in the hospital facility's admissions offices			
e ☐ The policy was provided, in writing, to patients on admission to the hospital facility			
f ☐ The policy was available upon request			
g ☐ Other (describe in Part VI)			
Billing and Collections			
15 Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment?	**15**	Yes	
16 Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other similar actions (describe in Part VI)			
17 Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP?	**17**		No
If "Yes," check all actions in which the hospital facility or a third party engaged			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other similar actions (describe in Part VI)			

Part V Facility Information *(continued)*

18 Indicate which efforts the hospital facility made before initiating any of the actions listed in line 17 (check all that apply)

- **a** ☐ Notified individuals of the financial assistance policy on admission
- **b** ☑ Notified individuals of the financial assistance policy prior to discharge
- **c** ☑ Notified individuals of the financial assistance policy in communications with the patients regarding the patients' bills
- **d** ☑ Documented its determination of whether patients were eligible for financial assistance under the hospital facility's financial assistance policy
- **e** ☐ Other (describe in Part VI)

Policy Relating to Emergency Medical Care

		Yes	No
19 Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that requires the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy?	**19**	Yes	
If "No," indicate why			
a ☐ The hospital facility did not provide care for any emergency medical conditions			
b ☐ The hospital facility's policy was not in writing			
c ☐ The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)			
d ☐ Other (describe in Part VI)			

Charges to Individuals Eligible for Assistance under the FAP (FAP-Eligible Individuals)

20 Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care			
a ☐ The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged			
b ☐ The hospital facility used the average of its three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged			
c ☐ The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged			
d ☑ Other (describe in Part VI)			
21 During the tax year, did the hospital facility charge any FAP-eligible individuals to whom the hospital facility provided emergency or other medically necessary services, more than the amounts generally billed to individuals who had insurance covering such care?	**21**		No
If "Yes," explain in Part VI			
22 During the tax year, did the hospital facility charge any FAP-eligible individuals an amount equal to the gross charge for any service provided to that individual?	**22**		No
If "Yes," explain in Part VI			

Part V Facility Information *(continued)*

Section C. Other Health Care Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility
(list in order of size, from largest to smallest)

How many non-hospital health care facilities did the organization operate during the tax year?
6

	Name and address	Type of Facility (describe)
1	1 Cohoes Family Care 95 Remsen Street Cohoes, NY 12047	Primary Care Center
2	Family Medical Group 279 Troy Road Route 4 Rensselaer, NY 12144	Primary Care Center
3	Riverside Family Medical Group 35 Lower Hudson Ave Green Island, NY 12183	Primary Care Center
4	South Troy Health Center 300 Fourth Street Troy, NY 12180	Primary Care Center
5	Waterford Health Center 158 Saratoga Avenue Waterford, NY 12188	Primary Care Center
6	Continuing Treatment Services 1801 Sixth Avenue Troy, NY 12180	Outpatient Continuing Treatment Svc/MICA
7		
8		
9		
10		

Part VI Supplemental Information

Complete this part to provide the following information

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7, Part II, Part III, lines 4, 8, and 9b, Part V, Section A, and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 10, 11, 12h, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e g , open medical staff, community board, use of surplus funds, etc)

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report

8 **Facility reporting group(s).** If applicable, for each hospital facility in a facility reporting group provide the descriptions required for Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 10, 11, 12h, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22

Identifier	ReturnReference	Explanation
		Part I, Line 3c Samaritan Hospital's financial assistance policy uses the Federal Poverty Guidelines to determine eligibility, and does not use an asset test
		Part I, Line 6a The community benefit report, in the form of a document entitled "Community Service Plan - Comprehensive Three-Year Plan," was prepared by Northeast Health, Inc , a related organization that controls Samaritan Hospital

Identifier	ReturnReference	Explanation
		Part I, Line 7 Samaritan Hospital utilized the same methodology required by the NYS Institutional Cost Report This methodology requires the Hospital to use a cost-to-charge ratio (from the annual Medicare Cost Report) to calculate (at cost) uncollected amounts attributable to services provided to unisured patients found to be eligible for financial aid as well as uncollected co-insuarnace and deductibles for insured patients found to be eligible for financial aid Samaritan Hospital used its internal cost accounting system to calculate the amounts used in the table The Hospital's cost accounting system includes all operations and service lines the hospital offers and includes all payor groups with detail for Medicare, Medicaid, Commercial Insurers, HMO's, Managed Care Plans, Private Insurance, Self Pay, etc
		Part I, Line 7g Samaritan Hospital reported costs of $2,193,371 for the operation of primary care clinics These costs are net of Medicaid and other means-tested government programs, charity care and bad debt

Identifier	ReturnReference	Explanation
		Part I, L7 Col(f) Samaritan Hospital used the step-down costs as reported in our 2012 Medicare Cost Report to calculate the costs for the School of Nursing program costs reported on line 7f
		Part III, Line 2 In order to determine the Hospital's bad debt expense at cost for Part III, line 2, we first identified what portion of the bad debt was inpatient and what portion was outpatient We then applied the appropriate cost-to-charge ratio (I/P or O/P) as reported in our 2012 Medicare Cost Report to the bad debt expense amounts (I/P and O/P) to determine bad debt expense at cost Account balances on patient accounts are transferred to bad debt accounts receivable once they are determined to be uncollectible The balances are net of discounts, adjustments and payments that have been applied to these accounts Part III, Line 3 The Hospital's estimate of bad debt expense at cost attributable to patients that may have been eligible under organization's charity care policy, but for whom sufficient information was unable to be obtained in order to make a determination, is based on the following - We took the accounts with incomplete applications for charity care and researched each account to see what amount, if any, was transferred to bad debt and multiplied that amount by the appropriate ratio of cost to charges (RCC) to calculate the bad debt at cost - Accounts with incomplete applications that actually had balances transferred to bad debt were considered to have qualified for charity care because, had these patients completed the process, they would have qualified as, in all likelihood, they did not have the means to pay what was owed Part III, Line 4 The combined financial statements for Northeast Health, Inc and Affiliates (which includes Samaritan Hospital), contain the following note regarding bad debt expense The Affiliates grant credit without collateral to patients, most of whom are local residents and are insured under third-party agreements Additions to the allowance for estimated uncollectible accounts are made by means of the provision for bad debts Accounts written off as uncollectible are deducted from the allowance and subsequent recoveries are added The amount of the provision for bad debts is based upon management's assessment of historical and expected net collections, business and economic conditions, trends in Federal and state governmental health care coverage and other collection indicators Services rendered to individuals when payment is expected and ultimately not received are written off to the allowance for estimated uncollectible accounts

Identifier	ReturnReference	Explanation
		Part III, Line 8 Samaritan Hospital used its internal cost accounting system to calculate the amounts used in the table The Hospital's cost accounting system includes all operations and service lines the hospital offers and includes all payor groups with detail for Medicare, Medicaid, Commercial Inurers, HMO's, Managed Care Plans, Private Insurance, Self Pay, etc The Shortfall on Part III, Line 7 represents the difference between the revenue related to Medicare patients (including revenue received for DSH and other pass-through reimbursements) and the costs associated with providing these services
		Part III, Line 9b If a patient qualifies for financial assistance, their account will not be subject to the usual collection practices during this process If the patient does not submit the necessary documentation within 90 days, then their account could be forwarded to collections

Identifier	ReturnReference	Explanation
Samaritan Hospital		Part V, Section B, Line 20d The hospital used its negotiated commercial insurance rate negotiated with its highest volume commercial payer as allowed by NYS PBH Law section 2807-k (9)
		Part VI, Line 2 The organization, as a component of the Northeast Health system, has been a participant in the Healthy Capital District Initiative ("HCDI") since 1999 Other participants include all hospitals, county health departments and payers in the Albany, Rensselaer and Schenectady counties Recently, HCDI undertook a three-pronged initiative to engage the public and assess community need The three efforts consisted of 1 The collection and analysis of data in the Community Health Profile,2 The production of a Community Health Forum broadcast by the local PBS affiliate, and3 The collection of data using an online Community Health Survey to assess respondents' opinions on the health of the Capital District Through the HCDI process, consideration of the New York State Commissioner of Health's ten public health priorities, and through other local efforts to obtain additional community input, Northeast Health developed health services priorities contained in its Community Service Plan

Identifier	ReturnReference	Explanation
		Part VI, Line 3 In addition to posting Samaritan Hospital's financial assistance policy on the hospital's website, Samaritan Hospital physically posts the policy at almost all inpatient and outpatient intake desks All registration personnel are trained to know the procedures for assisting patients who have no insurance Samaritan Hospital has also contracted with a firm that supplies the services of a Medicaid enroller "on-site"
		Part VI, Line 4 General DescriptionSamaritan Hospital is part of the Northeast Health network, a regional, comprehensive, not-for-profit provider of health care and community services Northeast Health was formed in 1995 by the merger of Samaritan Hospital and The Eddy, joined by Albany Memorial Hospital in 1997 and Sunnyview Rehabilitation Hospital in 2007 The components of Northeast Health are deeply rooted in their communities, each with a long tradition of providing high quality care and services Serving 22 counties in the greater Capital Region of Upstate New York, Northeast Health cares for approximately 175,000 people each year and provides a vast array of senior care, hospital services, rehabilitation, specialty services and retirement living options Our Primary Care Network offers a full range of medical, preventive and diagnostic services for people of all ages at nine locations throughout the region Communities ServedSamaritan Hospital (238 beds) serves primarily the population of Albany and Rensselaer counties, New York These contiguous counties (separated north to south by the Hudson River) contain 458,764 persons Their populations are concentrated along the Hudson River in the cities of Albany, Cohoes, Rensselaer and Troy, which accounts for about 40% of the population The balance of the population is dispersed among smaller cities, villages, suburbs and rural areas Albany and Rensselaer counties have a fairly consistent demographic profile based on income, poverty and health insurance measures as illustrated below Demographic Albany Rensselaer2010 Population 302,162 156,6022020 Population 307,201 158,579% Change 1 7% 1 3%2010 Households 125,729 62,3852020 Households 129,568 64,442% Change 3 1% 3 3% 2009 Median Household Income $53,317 $52,232Persons Below Poverty Level (2007 Estimate) 33,254 (11 7%) 15,898 (10 6%)Number of Medicaid Enrollees 2008 37,659 (12 5%) 21,767 (13 9%) Number of Uninsured (2007 Estimate) 33,550 (11 1%) 17,098 (10 9%)On a percentage basis, the communities are very similar for median income, poverty, Medicaid enrollees and the uninsured Other HospitalsThere are four other hospitals in the two county area Albany Medical Center Hospital (Albany) is a 600-bed tertiary care facility St Peter's Hospital (Albany) is a 450-bed tertiary care facility Albany Memorial Hospital (Albany) is a 160-bed acute care general hospital, also part of the Northeast Health network Seton Health System/St Mary's Hospital (Troy), is a 190-bed acute care facility Medically Underserved Areas / PopulationsEach of these counties has areas that are designated as medically underserved In Rensselaer County, those parts of the City of Troy which border the Hudson River are designated as medically underserved populations (MUP) The City of Albany areas adjacent to the river are designated as a medically underserved area (MUA) Samaritan Hospital is located adjacent to the MUP and delivers services to that population through the Emergency Room and a Primary Care practice located within the MUP designated area

Identifier	ReturnReference	Explanation
		Part VI, Line 5 In addition to its activities in delivering health care services to the community as described elsewhere in this filing, Samaritan Hospital furthers its exempt purposes through the following means 1 Samaritan Hospital is managed by a community board of directors, on which the substantial majority of directors are residents of the hospital's primary or secondary service area and who are neither employees nor contractors of the hospital,2 With certain departments which, in the interests of efficiency, quality and proper administration, are traditionally reserved to a single physician group having an exclusive arrangement with respect to the department (e g , radiology, anesthesia, pathology, etc), Samaritan Hospital maintains an open medical staff that extends privileges to all qualified physician applicants, and3 The organization generally applies all surplus funds to ensuring financially prudent availability of funds, capital maintenance and improvements, and the addition of services that benefit the community In 2010 Northeast Health, the health system to which Samaritan Hospital belongs, entered into an affiliation agreement with St Peter's Health Care Services, principally located in Albany, and Seton Health System, principally located in Troy, under which the parties formed a new not-for-profit entity that will become the parent of the constituent systems The parties consummated the affiliation transaction in the fall of 2011 The affiliation parties believe that by combining their complementary strengths, they can significantly improve their ability to meet the healthcare needs of the region through more coordination, improved efficiency, reduced fragmentation of care, and improved access for the poor and underserved people in the Capital Region and beyond The affiliation will better position the parties to address such challenges and to meet the needs of the community
		Part VI, Line 6 Samaritan Hospital is affiliated with Northeast Health, a network of healthcare, supportive housing and community services The affiliation furthers Samaritan Hospital's ability to promote health care in many ways Northeast Health affiliation helps ensure Samaritan Hospital's financial stability through reduced administrative overhead costs, access to capital and supply chain management, among other things Samaritan Hospital's affiliation with Northeast Health also enables greater collaboration with affiliated hospitals and other providers of services In addition to sharing policies and procedures and ideas for best operational and management practices, system affiliates participate jointly in quality improvement activities The Northeast Health Board Quality Committee oversees quality improvement activities in the system's acute care hospitals, rehabilitation hospital, skilled nursing facilities, primary care network, visiting nurse and community service programs, adult housing and program for all-inclusive care for the elderly ("PACE" program) Through this committee and other joint activities, the system seeks to ensure collaboration on quality initiatives among varied provider types For example, several quality initiatives commenced in 2009 are intended to lead to measurable improvements in patient care transitions between hospitals, nursing homes, home health and supportive housing Northeast Health has also successfully deployed the Lean Thinking and Tools developed by the Toyota Production System, in its integrated health care delivery system This sophisticated system of process improvement is used by Northeast Health affiliates to improve and optimize managerial, operational and clinical processes Samaritan Hospital's affiliation with Northeast Health has enabled it to adopt Lean Thinking and Tools with a degree of success unlikely to have been attained but for the affiliation Lean Thinking and Tools have enabled Samaritan Hospital to provide better care and services to the community

Identifier	ReturnReference	Explanation
Reports Filed With States	Part VI, Line 7	NY

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Schedule J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

▶ Complete if the organization answered "Yes" to Form 990, Part IV, question 23.

▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
Samaritan Hospital

Employer identification number
14-1338544

Part I Questions Regarding Compensation

			Yes	No
1a	Check the appropiate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items			
	☐ First-class or charter travel	☐ Housing allowance or residence for personal use		
	☐ Travel for companions	☐ Payments for business use of personal residence		
	☐ Tax idemnification and gross-up payments	☑ Health or social club dues or initiation fees		
	☐ Discretionary spending account	☐ Personal services (e g , maid, chauffeur, chef)		
b	If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain	**1b**	Yes	
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?	**2**	Yes	
3	Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director Check all that apply Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III			
	☐ Compensation committee	☐ Written employment contract		
	☐ Independent compensation consultant	☐ Compensation survey or study		
	☐ Form 990 of other organizations	☐ Approval by the board or compensation committee		
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization			
a	Receive a severance payment or change-of-control payment?	**4a**	Yes	
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	**4b**	Yes	
c	Participate in, or receive payment from, an equity-based compensation arrangement?	**4c**		No
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III			
	Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.			
5	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of			
a	The organization?	**5a**		No
b	Any related organization?	**5b**		No
	If "Yes," to line 5a or 5b, describe in Part III			
6	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of			
a	The organization?	**6a**		No
b	Any related organization?	**6b**		No
	If "Yes," to line 6a or 6b, describe in Part III			
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	**7**		No
8	Were any amounts reported in Form 990, Part VII, paid or accured pursuant to a contract that was subject to the initial contract exception described in Regulations section 53 4958-4(a)(3)? If "Yes," describe in Part III	**8**		No
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?	**9**		

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii) Do not list any individuals that are not listed on Form 990, Part VII

Note. The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual

(A) Name and Title	**(B)** Breakdown of W-2 and/or 1099-MISC compensation			**(C)** Retirement and other deferred compensation	**(D)** Nontaxable benefits	**(E)** Total of columns (B)(i)-(D)	**(F)** Compensation reported as deferred in prior Form 990
	(i) Base compensation	**(ii)** Bonus & incentive compensation	**(iii)** Other reportable compensation				
See Additional Data Table							

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II
Also complete this part for any additional information

Identifier	Return Reference	Explanation
	Part I, Line 1a	Samaritan Hospital pays for the dues associated with CEO Norman Dascher's membership to a country club All invoices are received by Samaritan Hospital Mr Dascher reimburses the organization for the personal use charges that are unrelated to dues, so that only the dues payments represent additional compensation to Mr Dascher The organization pays for business-related charges Reimbursement for this benefit is covered by Samaritan Hospital's general expense reimbursement policy
	Part I, Line 3	Compensation of the organization's top management officials Steven Boyle and James Reed were compensated by CHE which used one or more of the following methods to establish compensation for these officials - Compensation committee - Independent compensation consultant - Written employment contract - Compensation survey - Approval by the board or compensation committee On an annual basis, the organization uses an independent compensation consultant to review the salaries for other executives and ensure such salaries are consistent with market salaries paid to similarly situated executives In addition, a compensation committee reviews this information annually and it is then approved by the board or compensation committee Finally, executives receive a written letter outlining the specifics of their compensation
	Part I, Lines 4a-b	Part I, Lines 4a-b Line 4a James Gavin received a severance payment in the amount of $118,268 Line 4b Supplemental Executive Retirement Plan is provided to certain key executive employees Contributions made to the plan on their behalf are vested and reflected in their compensation at the time of the contribution

Additional Data

Return to Form

Software ID:
Software Version:
EIN: 14-1338544
Name: Samaritan Hospital

Form 990, Schedule J, Part II - Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
Boyle Steven	(I)	0	0	0	0	0	0	0
	(II)	528,964	342,094	89,295	11,250	3,391	974,994	0
Reed James K MD	(I)	0	0	0	0	0	0	0
	(II)	566,508	100,394	143,385	11,250	26,655	848,192	0
Gavin James	(I)	0	0	0	0	0	0	0
	(II)	178,382	73,799	135,682	144,226	14,884	546,973	0
Schuhle Thomas	(I)	0	0	0	0	0	0	0
	(II)	329,632	62,253	21,574	10,369	17,161	440,989	0
Dascher Norman	(I)	353,068	65,247	30,716	10,956	8,365	468,352	0
	(II)	0	0	0	0	0	0	0
Silverman Daniel	(I)	258,270	30,080	1,290	8,464	15,274	313,378	0
	(II)	0	0	0	0	0	0	0
Kochie Daniel	(I)	0	0	0	0	0	0	0
	(II)	276,408	7,200	12,515	40,339	7,028	343,490	0
Brodbeck Kathy	(I)	0	0	0	0	0	0	0
	(II)	267,964	62,848	1,339	100,797	15,334	448,282	0
Priore Jacquiline	(I)	153,991	0	774	4,543	1,832	161,140	0
	(II)	0	0	0	0	0	0	0
Biguzzi Sergio	(I)	356,466	0	1,219	8,295	1,664	367,644	0
	(II)	0	0	0	0	0	0	0
Singh Vinita	(I)	319,987	0	414	8,035	15,006	343,442	0
	(II)	0	0	0	0	0	0	0
Field Gregory	(I)	294,231	43,500	270	8,218	16,488	362,707	0
	(II)	0	0	0	0	0	0	0
Silk Yusuf	(I)	351,343	58,707	17,774	5,000	12,650	445,474	0
	(II)	0	0	0	0	0	0	0
Gist Christorpher	(I)	485,774	0	17,180	5,000	13,633	521,587	0
	(II)	0	0	0	0	0	0	0

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Schedule L (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions with Interested Persons

▶ **Complete if the organization answered "Yes" on Form 990, Part IV, lines 25a, 25b, 26, 27, 28a, 28b, or 28c, or Form 990-EZ, Part V, line 38a or 40b.**

▶ **Attach to Form 990 or Form 990-EZ.** ▶ **See separate instructions.**

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
Samaritan Hospital

Employer identification number
14-1338544

Part I Excess Benefit Transactions (section 501(c)(3) and section 501(c)(4) organizations only).

Complete if the organization answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b

1 (a) Name of disqualified person	(b) Relationship between disqualified person and organization	(c) Description of transaction	(d) Corrected? Yes	No

2 Enter the amount of tax incurred by organization managers or disqualified persons during the year under section 4958 . . . . . ▶ $

3 Enter the amount of tax, if any, on line 2, above, reimbursed by the organization . . . . . ▶ $

Part II Loans to and/or From Interested Persons.

Complete if the organization answered "Yes" on Form 990-EZ, Part V, line 38a, or Form 990, Part IV, line 26, or if the organization reported an amount on Form 990, Part X, line 5, 6, or 22

(a) Name of interested person	(b) Relationship with organization	(c) Purpose of loan	(d) Loan to or from the organization? To	From	(e) Original principal amount	(f) Balance due	(g) In default? Yes	No	(h) Approved by board or committee? Yes	No	(i) Written agreement? Yes	No
Total			▶ $									

Part III Grants or Assistance Benefitting Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 27.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of assistance	(d) Type of assistance	(e) Purpose of assistance
(1) 10 unnamed individuals	Current or Former Director, Officer,or Key Employee		courtesy discounts	See Part V

Part IV Business Transactions Involving Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 28a, 28b, or 28c.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) Medical Liability Mutual Insurance Co	Director James K Reed, M D is a board member	45,083	Aggregate premiums for general/professional liability insurance		No
(2) Times Union	George Hearst is a board member	18,000	Advertising Employment		No

Part V Supplemental Information

Complete this part to provide additional information for responses to questions on Schedule L (see instructions)

Identifier	Return Reference	Explanation
Sch L, Part III, Grants or Assistance Benefitting Interested Persons		Items described in this part of Schedule L are courtesy discounts for hospital services provided by the organization to interested persons The names of such persons are not provided in order to protect their health information privacy, consistent with the privacy provisions of the federal Health Insurance Portability and Accountability Act of 1996, and implementing regulations, popularly known as HIPAA The courtesy discounts are provided under two established hospital policies, one that provides a hospital services discount benefit to all employees of the organization and their dependents, and one that provides the same discount benefit to all current and former board members of the organization, and their dependents In 2012, 10 interested persons listed on Form 990, Part VII received such benefits, none of whom received more than $600 in aggregate discounts

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SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on Form 990 or to provide any additional information.
▶ Attach to Form 990 or 990-EZ.

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
Samaritan Hospital

Employer identification number
14-1338544

Identifier	Return Reference	Explanation
	Form 990, Part VI, Section A, line 2	Directors James H Puleo, M D and James V Puleo, M D have a family relationship

Identifier	Return Reference	Explanation
	Form 990, Part VI, Section A, line 6	Northeast Health, Inc is the sole member

Identifier	Return Reference	Explanation
	Form 990, Part VI, Section A, line 7a	Yes, Northeast Health, Inc approves the appointment of the members of the governing body

Identifier	Return Reference	Explanation
	Form 990, Part VI, Section A, line 7b	St Peter's Health Partners, Northeast Health, Inc, and/or Catholic Health East, may have limited reserve powers to approve decisions of the governing body

Identifier	Return Reference	Explanation
	Form 990, Part VI, Section B, line 11	The organization took steps to educate management, members of the board and members of appropriate subcommittees of the board on the compliance requirements mandated by the Form 990 The Form 990 is reviewed by the Governance Committee of the Board of Trustees of St Peter's Health Partners The Board of Trustees is updated on all major areas included in the filing In addition, the annual filing of Form 990 is provided to the entire Board of Trustees prior to filing

Identifier	Return Reference	Explanation
	Form 990, Part VI, Section B, line 12c	The organization had adopted CHE's Policy 103 prior to 11/27/12 and followed its own policy (SPHP Conflict of Interest) at yearend which sets forth the organization's conflict-of-interest policy and processes Annually, all those serving the organization in a fiduciary capacity, including directors, officers and key employees receive a copy of the policy and annual disclosure statement to be completed Disclosures of financial interest or other reportable circumstances as defined in the policy are submitted and reviewed by the organization's CEO and members of the board Summary information is reported to the entire board and available to the board throughout the year as business comes before the board or management for action The policy contains a continuing affirmative obligation on all affected individuals to disclose compensation or other circumstances throughout the year which may rise to the level of an actual or apparent conflict The determination of whether a disclosed financial or other interest constitutes a conflict of interest is made by the board or an appropriate committee thereof comprised of dis- interested persons and without the participation of the affected individual except to respond to questions about the disclosure The policy further addresses the procedure for the board's further consideration of the proposed transaction/matter without the participation of the affected person and the documentation of the proceedings Lastly, the policy addresses potential disciplinary action for violations of the policy The policy is available to the public upon request

Identifier	Return Reference	Explanation
	Form 990, Part VI, Section B, line 15	The organization relies on CHE to determine compensation for the CEO and President of the organization The CHE board has an independent committee review and approve all elements of remuneration for all disqualified parties, as well as other key management The board/committee has an established compensation philosophy which details the objectives of market positioning and pay elements The committee engages with external consultants to provide market data comparing the organization's roles to similarly sized health systems utilizing both title and job content comparisons The committee reviews the market analysis, approves any salary adjustments for the executive population, considers both reasonableness and effectiveness of all remunerative programs and establishes the detailed performance expectations which are incorporated into the incentive plan All of these discussions and decisions are documented through the provision of meeting minutes The compensation of other officers and key employees of the organization are reviewed by an independent compensation consultant who reviews the salaries to ensure they are within market and market competitive This is done on an annual basis, reviewed by either the organization's or a related organization's compensation committee and communicated to the other officers and key employees

Identifier	Return Reference	Explanation
	Form 990, Part VI, Section C, line 19	Organizational Articles of Incorporation, Corporate Bylaws, governance policies believed to be of interest to the public, conflict-of-interest policy and IRS Form 990 are available upon request

Identifier	Return Reference	Explanation
Changes in Net Assets or Fund Balances	Form 990, Part XI, line 9	Capital Transfer -68,290 Contributions 780,357 Net Assets Released -257,488 Prepaid Pension Writedown -1,864,552 Other changes in net assets -279,162

Identifier	Return Reference	Explanation
		Disclosure Statement Related to Form 5471 Filed by Catholic Health East and Saint Michael's Medical Center Under the constructive ownership rule of Internal Revenue Code Sections 318(a) and 958(b), the organization is required to file Form 5471, Information Return of U S Persons With Respect to Certain Foreign Corporations, as a Category 4 and/or Category 5 filer with respect to Stella Maris Insurance Company Limited and Chestnut Risk Services, LTD (collectively, the "foreign corporations") This filing requirement is, or will be, satisfied through the filing of Forms 5471 with respect to the foreign corporations on the organization's behalf by the U S organizations identified below Foreign Corporation Stella Maris Insurance Company U S Organization Catholic Health East Address 3805 West Chester Pike, Suite 100, Newtown Square, Pennsylvania 19073 Identifying Number of U S Tax Return with Which Form 5471 was filed 23-2929748 IRS Service Center Where U S Return Was Filed Ogden, UT Foreign Corporation Chestnut Risk Services, LTD U S Organization Saint Michael's Medical Center Address 111 Central Avenue, Newark, New Jersey 07102 Identifying Number of U S Tax Return with Which Form 5471 was filed 26-2616046 IRS Service Center Where U S Return Was Filed Ogden, UT

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SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36, or 37.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
Samaritan Hospital

Employer identification number
14-1338544

Part I Identification of Disregarded Entities (Complete if the organization answered "Yes" to Form 990, Part IV, line 33.)

(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
(1) Seton Real Estate Holdings 1300 Massachusetts Avenue Troy, NY 12180 32-0393870	Management Real Estate	NY			Seton Health System Inc

Part II Identification of Related Tax-Exempt Organizations (Complete if the organization answered "Yes" to Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity? Yes	No
See Additional Data Table							

Part III **Identification of Related Organizations Taxable as a Partnership** (Complete if the organization answered "Yes" to Form 990, Part IV, line 34 because it had one or more related organizations treated as a partnership during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income(related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproprtionate allocations?		(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	
See Additional Data Table												

Part IV **Identification of Related Organizations Taxable as a Corporation or Trust** (Complete if the organization answered "Yes" to Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512 (b)(13) controlled entity?	
								Yes	No
See Additional Data Table									

Part V Transactions With Related Organizations (Complete if the organization answered "Yes" to Form 990, Part IV, line 34, 35b, or 36.)

Note. Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule

		Yes	No
1	During the tax year, did the orgranization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?		
a	Receipt of **(i)** interest **(ii)** annuities **(iii)** royalties or **(iv)** rent from a controlled entity	1a	No
b	Gift, grant, or capital contribution to related organization(s)	1b	No
c	Gift, grant, or capital contribution from related organization(s)	1c	Yes
d	Loans or loan guarantees to or for related organization(s)	1d	Yes
e	Loans or loan guarantees by related organization(s)	1e	No
f	Dividends from related organization(s)	1f	No
g	Sale of assets to related organization(s)	1g	No
h	Purchase of assets from related organization(s)	1h	No
i	Exchange of assets with related organization(s)	1i	No
j	Lease of facilities, equipment, or other assets to related organization(s)	1j	Yes
k	Lease of facilities, equipment, or other assets from related organization(s)	1k	Yes
l	Performance of services or membership or fundraising solicitations for related organization(s)	1l	Yes
m	Performance of services or membership or fundraising solicitations by related organization(s)	1m	Yes
n	Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)	1n	No
o	Sharing of paid employees with related organization(s)	1o	Yes
p	Reimbursement paid to related organization(s) for expenses	1p	Yes
q	Reimbursement paid by related organization(s) for expenses	1q	Yes
r	Other transfer of cash or property to related organization(s)	1r	Yes
s	Other transfer of cash or property from related organization(s)	1s	No

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds

(a) Name of other organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
See Additional Data Table			

Part VI **Unrelated Organizations Taxable as a Partnership** (Complete if the organization answered "Yes" to Form 990, Part IV, line 37.)

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization See instructions regarding exclusion for certain investment partnerships

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Predominant income (related, unrelated, excluded from tax under section 512-514)	(e) Are all partners section 501(c)(3) organizations?		(f) Share of total income	(g) Share of end-of-year assets	(h) Disproprtionate allocations?		(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
				Yes	No			Yes	No		Yes	No	

Software ID:
Software Version:
EIN: 14-1338544
Name: Samaritan Hospital

Part VII Supplemental Information

Complete this part to provide additional information for responses to questions on Schedule R (see instructions)

Identifier	Return Reference	Explanation

Form 990, Schedule R, Part III - Identification of Related Organizations Taxable as a Partnership

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal Domicile (State or Foreign Country)	(d) Direct Controlling Entity	(e) Predominant income(related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproprtionate allocations?		(i) Code V-UBI amount on Box 20 of K-1	(j) General or Managing Partner?		(k) Percentage ownership
							Yes	No		Yes	No	
St Peter's Ambulatory Surgery Center LLC 1375 Washington Avenue Ste 201 Albany, NY 12206 46-0463892	Outpatient Surgery	NY	N/A									
Catherine Horan Building Limited Partnership 1221 Main Street Room 108 Holyoke, MA 010400000 04-2723429	Property Management	MA	N/A									
Western Massachusetts PETCT Imaging Center LLC 100 Bayview Circle Ste 400 Newport Beach, CA 92660 20-4744663	Outpatient Medical Services	DE	N/A									
Central New Jersey Heart Services LLC 29 E 29th Street 2nd Floor Bayonne, NJ 07002 20-8525458	Cardiac Program	NJ	N/A									
SMMC MOB II LP 1201 Langhorne-Newtown Road Langhorne, PA 19047 36-4559869	Investment and operation of a medical building	PA	N/A									
The Ambulatory Surgery Center at St Mary LLC 1203 Langhorne-Newtown Road Langhorne, PA 19047 23-2871206	Outpatient Surgery	PA	N/A									
East Norriton Medical Associates One West Elm Street Conshohocken, PA 19428 23-2319531	Medical Office Building	PA	N/A									
East Norriton Medical Associates One West Elm Street Conshohocken, PA 19428 23-2319531	Medical Office Building	PA	N/A									
Gateway Health Plan 300 Grant Street Pittsburgh, PA 15219 25-1691945	Medicaid & Medicare/Special Needs Managed Care Organization	PA	N/A									
MercyManor Partnership PO Box 10086 Toledo, OH 436990086 52-1931012	Nursing Home	PA	N/A									
St Agnes Long Term Intensive Care LLP c/o Mercy Health System One West El Conshohocken, PA 19428 20-0984882	Long Term Intensive Care	PA	N/A									
St Agnes Long Term Intensive Care LLP c/o Mercy Health System One West El Conshohocken, PA 19428 20-0984882	Long Term Intensive Care	PA	N/A									
Nazareth Medical Office Building Associates LP c/o Nazareth Hospital 2601 Holme Av Philadelphia, PA 19152 23-2388040	Medical Office Building	PA	N/A									
Nazareth Medical Office Building Associates LP c/o Nazareth Hospital 2601 Holme Av Philadelphia, PA 19152 23-2388040	Medical Office Building	PA	N/A									
SJV Management LLC 200 Century Pkwy Ste 200E Mount Laurel, NJ 08054 20-2273476	Radiology	NJ	N/A									

Form 990, Schedule R, Part III - Identification of Related Organizations Taxable as a Partnership

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal Domicile (State or Foreign Country)	(d) Direct Controlling Entity	(e) Predominant income(related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproprtionate allocations?		(i) Code V-UBI amount on Box 20 of K-1	(j) General or Managing Partner?		(k) Percentage ownership
							Yes	No		Yes	No	
Physicians Outpatient Surgery Center LLC 1000 NE 56th Street Oakland Park, FL 33334 35-2325646	Ambulatory Surgery Center	FL	N/A									
Center for Surgery & Digestive Orders 3641 South Miami Avenue Miami, FL 33133 51-0438152	Outpatient Medical Services	FL	N/A									

Form 990, Schedule R, Part IV - Identification of Related Organizations Taxable as a Corporation or Trust

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512(b)(13) controlled entity?	
								Yes	No
Samaritan Medical Office Building Inc 2212 Burdett Avenue Troy, NY 12180 14-1607244	Real Estate	NY	N/A	C				Yes	
Affiliated Management Services Corporation Inc 1300 Massachusetts Avenue Troy, NY 12180 14-1668024	Real Estate	NY	N/A	C				Yes	
Catherine Horan Building Inc c/o SPHS 1221 Main Street Suite 108 Holyoke, MA 010400000 04-2938160	Building Management	MA	N/A	C				Yes	
Diversified Community Services Inc c/o SPHS 1221 Main Street Suite 108 Holyoke, MA 010400000 04-3128890	Medical Services	MA	N/A	C				Yes	
Mercy Inpatient Medical Associates Inc c/o SPHS 1221 Main Street Suite 108 Holyoke, MA 010400000 04-3029929	Medical Services	MA	N/A	C				Yes	
Providence Home Care Inc c/o SPHS 1221 Main Street Suite 108 Holyoke, MA 010400000 04-3317426	Health Care Services	MA	N/A	C				Yes	
System Coordinated Services Inc c/o SPHS 1221 Main Street Suite 108 Holyoke, MA 010400000 04-2938181	Lab Services	MA	N/A	C				Yes	
Physicians Medical Office Building Condominium Trust 1221 Main Street Room 108 Holyoke, MA 010400000 04-6608649	Property Management	MA	N/A	C				Yes	
SJM Properties Inc 411 Canisteo Street Hornell, NY 148482101 16-1294991	Property Holdings	NY	N/A	C				Yes	
Carbondale Area Physicians' Association PC 100 Lincoln Ave Carbondale, PA 18407 23-2801677	Medical Insurance Contracting	PA	N/A	C				Yes	
Carbondale Area Physicians' PHO Inc 100 Lincoln Ave Carbondale, PA 18407 23-2801676	Inactive	PA	N/A	C				Yes	
Carbondale Physicians' Services Inc 100 Lincoln Ave Carbondale, PA 18407 23-2365077	Pharmacy	PA	N/A	C				Yes	
Chestnut Risk Services Ltd 11 Victoria Street Hamilton BD	Insurance	BD	N/A	C				Yes	
LifeCare Physicians PC 601 Hamilton Avenue Trenton, NJ 086291986 26-1649038	Health Care Services	NJ	N/A	C				Yes	
Multicare Plus Inc 601 Hamilton Avenue Trenton, NJ 086291986 22-3435844	Inactive	NJ	N/A	C				Yes	

Form 990, Schedule R, Part IV - Identification of Related Organizations Taxable as a Corporation or Trust

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512(b)(13) controlled entity?	
								Yes	No
Langhorne Services II Inc 1201 Langhorne-Newtown Road Langhorne, PA 19047 25-3795549	General Partner of LMOB Partners, II	PA	N/A	C				Yes	
Langhorne Services Inc 1201 Langhorne-Newtown Road Langhorne, PA 19047 23-2625981	General Partner of LMOB Partners,	PA	N/A	C				Yes	
Gateway Health Plan Inc 600 Grant Street Pittsburgh, PA 15219 25-1505506	Health Care	PA	N/A	C				Yes	
Gateway Health Plan Inc of Ohio 600 Grant Street Pittsburgh, PA 15219 30-0282076	Health Care	PA	N/A	C				Yes	
MCMC Eastwick Inc c/o MHS One West Elm Street Conshohocken, PA 19428 23-2184261	Medical Office Buildings	PA	N/A	C				Yes	
Health Management Services Org Inc 500 Grove Street Suite 100 Haddon Heights, NJ 08035 22-3366580	Health Care Billing	NJ	N/A	C				Yes	
Lourdes Medeical Associates PA 500 Grove Street Suite 100 Haddon Heights, NJ 08035 22-3361862	Medical Services	NJ	N/A	C				Yes	
Jeannette Medical Providers 3805 West Chester Pike Newtown Square, PA 19073 25-1787334	Holding Company	PA	N/A	C				Yes	
Jeannette OBGYN Group 1 Inc 3805 West Chester Pike Newtown Square, PA 19073 23-2890748	Holding Company	PA	N/A	C				Yes	
Jeannette Primary Care Group 1 Inc 3805 West Chester Pike Newtown Square, PA 19073 23-2890743	Holding Company	PA	N/A	C				Yes	
Georgia Health Enterprises LLC 1230 Baxter Street Athens, GA 30606 54-1806329	Healthcare	GA	N/A	C				Yes	
St Mary's Highland Hills Village Inc 1660 Jennings Mill Pkly Bogart, GA 30622 58-2276801	Assisted Living	GA	N/A	C				Yes	
GHE Physicians PC 3500 Piedmont Road Atlanta, GA 30305 58-2277939	Practice Management	GA	N/A	C				Yes	
Nursing Network Inc 4725 North Federal Highway Fort Lauderdale Highwa, FL 333080000 59-1145192	Medical Services	FL	N/A	C				Yes	
Mercy Physician Group Inc 3663 South Miami Avenue Miami, FL 33133 20-2970015	Health Care	FL	N/A	C				Yes	

Form 990, Schedule R, Part IV - Identification of Related Organizations Taxable as a Corporation or Trust

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512(b)(13) controlled entity?	
								Yes	**No**
Stella Maris Insurance Company Limited PO Box 69 Grand Cayman, Cayman Islands KY1-1102 CJ 98-0078266	Insurance	CJ	N/A	C				Yes	
Catholic Health East Senior Services 3805 West Chester Pike Suite 100 Newtown Square, PA 19073 37-1572595	Senior Services	PA	N/A	C				Yes	

--> **Form 990, Schedule R, Part V - Transactions With Related Organizations**

(a) Name of other organization	(b) Transaction type(a-s)	(c) Amount Involved	(d) Method of determining amount involved
Northeast Health Inc	M	6,086,838	FMV
Albany Memorial Hospital	O	4,500,217	FMV
Northeast Health Foundation	C	2,132,331	FMV
The Community Hospice	L	368,401	FMV
Samaritan Medical Office Building	D	688,781	FMV
Samaritan Medical Office Building	K	128,261	FMV
Sunnyview Hospital & Rehabilitation	O	332,511	FMV
Sunnyview Hospital & Rehabilitation	P	298,562	FMV
Capital Region Geriatric Center	K	185,565	FMV
Heritage House Nursing Center	K	134,081	FMV
James A Eddy Memorial Geriatric Center	K	102,639	FMV
Hawthorne Ridge Inc	K	109,414	FMV

St. Peter's Health Partners

Consolidated Financial Statements
and Supplemental Consolidating Information
December 31, 2012

St. Peter's Health Partners
Index
December 31, 2012

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Independent Auditor's Report

The Board of Trustees of
St Peter's Health Partners

We have audited the accompanying financial statements of St Peter's Health Partners (the "Company"), which comprise the consolidated balance sheet as of December 31, 2012, and the related consolidated statements of operations and changes in net assets and cash flows for the year then ended

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error

Auditor's Responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audit We conducted our audit in accordance with auditing standards generally accepted in the United States of America Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error In making those risk assessments, we consider internal control relevant to St Peter's Health Partners' preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control Accordingly, we express no such opinion An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company at December 31, 2012 and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America

Other Matters

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole The social accountability information is presented for purposes of additional analysis and is not a required part of the consolidated financial statements The information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves and other additional procedures, in accordance with auditing standards generally accepted in the United States of America In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements taken as a whole

The consolidating information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements The consolidating information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves and other additional procedures, in accordance with auditing standards generally accepted in the United States of America In our opinion, the consolidating information is fairly stated, in all material respects, in relation to the consolidated financial statements taken as a whole The consolidating information is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, results of operations and cash flows of the individual entities and is not a required part of the consolidated financial statements Accordingly, we do not express an opinion on the financial position, results of operations and cash flows of the individual entities

PricewaterhouseCoopers LLP

May 20, 2013

St. Peter's Health Partners
Consolidated Balance Sheet
December 31, 2012

(in thousands of dollars)

	2012
Assets	
Current assets	
Cash and cash equivalents	$89,187
Investments	149,121
Marketable securities whose use is limited	251
Patient accounts receivable, less allowance for doubtful accounts of $57,383 for 2012	95,496
Other accounts receivable	22,677
Prepaid expenses and inventories	16,870
Total current assets	373,602
Marketable securities and investments whose use is limited	
Board-designated funds	152,589
Trustee-held funds	38,568
Donor-restricted funds	52,869
Investments	27,799
Total marketable securities and investments whose use is limited	271,825
Property and equipment, net	675,020
Goodwill	1,697
Investment in unconsolidated organizations	1,057
Posted collateral on interest rate swaps	474
Other assets	49,128
Total assets	$1,372,803
Liabilities and Net Assets	
Current liabilities	
Current portion of long-term debt	$55,076
Accounts payable and accrued expenses	97,402
Estimated third-party payables	25,558
Other current liabilities	20,110
Total current liabilities	198,146
Long-term debt, net	300,788
Other liabilities	23,396
Pension liabilities	33,623
Insurance liabilities	44,505
Refundable entrance fees and unearned entrance fees	48,673
Total liabilities	649,131
Net assets	
Unrestricted	654,205
Temporarily restricted	42,550
Permanently restricted	26,917
Total net assets	723,672
Total liabilities and net assets	$1,372,803

The accompanying notes are an integral part of the consolidated financial statements

St. Peter's Health Partners
Consolidated Statement of Operations and Changes in Net Assets
Year Ended December 31, 2012

(in thousands of dollars)

	2012
Unrestricted revenues, gains and other support	
Net patient service revenue, net of provision for bad debts of $41,120	$993,750
Other operating revenue	69,578
Unrestricted contributions	4,249
Net assets released from restrictions used for operations	2,050
Total unrestricted revenues, gains and other support	1,069,627
Expenses	
Salaries, wages and benefits	568,005
Medical supplies	158,326
Purchased services, professional fees and other expenses	216,380
Depreciation and amortization	61,851
Interest	16,474
Insurance	14,731
Restructuring costs	2,606
Total operating expenses	1,038,373
Operating income	31,254
Non-operating gains (losses)	
Investment returns, net	23,225
Other losses	(627)
Change in fair value of interest rate swaps	(415)
Total non-operating gains	22,183
Excess of revenues over expenses	$53,437

The accompanying notes are an integral part of the consolidated financial statements

St. Peter's Health Partners
Consolidated Statement of Operations and Changes in Net Assets, Continued
Year Ended December 31, 2012

(in thousands of dollars)	**2012**
Unrestricted net assets	
Excess of revenues over expenses	$53,437
Pension related changes other than net periodic pension cost	1,312
Net assets released from restrictions used for capital purchases	1,793
Other	285
Increase in unrestricted net assets	56,827
Temporarily restricted net assets	
Contributions	4,081
Investment income	713
Unrealized gains on investments	4,080
Net assets released from restrictions used for capital purchases	(1,793)
Net assets released from restrictions used for operations	(2,050)
Other changes	(2,337)
Increase in temporarily restricted net assets	2,694
Permanently restricted net assets	
Contributions	12
Net realized, unrealized gains on investments, and investment income	506
Other changes	1,091
Increase in permanently restricted net assets	1,609
Increase in net assets	61,130
Net assets	
Beginning of year	662,542
End of year	$723,672

The accompanying notes are an integral part of the consolidated financial statements

St. Peter's Health Partners
Consolidated Statement of Cash Flows
Year Ended December 31, 2012

(in thousands of dollars)	**2012**
Cash flows from operating activities	
Increase in net assets	$61,130
Adjustments to reconcile increase in net assets to net cash provided by operating activities	
Grants received for capital	(805)
Proceeds from restricted contributions	(1,918)
Pension related changes other than net periodic pension cost	(1,312)
Equity in earnings of unconsolidated organization	(1,346)
Undistributed portion of change in interest in net assets of the Foundation	(349)
Amortization of resident entrance fees	(1,436)
Depreciation and amortization	61,851
Provision for bad debts	41,120
Realized gains on investments	(1,373)
Net unrealized gains on investments	(21,859)
Other losses	627
Change in fair value of interest rate swaps	415
Change in discount of pledges receivable	465
Changes in operating assets and liabilities	
Patient accounts receivable	(38,599)
Prepaid expenses, inventories, other assets	6,056
Accounts payable and other liabilities	4,696
Net cash provided by operating activities	107,363
Cash flows from investing activities	
Purchases of property and equipment	(77,878)
Net change of investments and marketable securities whose use is limited	(7,855)
Distributions from unconsolidated organization	1,437
Physician practice acquisition	(17,200)
Posted collateral on interest rate swaps	279
Net cash used in investing activities	(101,217)
Cash flows from financing activities	
Restricted contributions	1,918
Net cash refunded for entrance fees	(341)
Proceeds from issuance of long-term debt	42,298
Payments on capital leases	(520)
Grants received for capital	805
Payments on long-term debt	(61,381)
Net cash used in financing activities	(17,221)
Decrease in cash and cash equivalents	(11,075)
Cash and cash equivalents at beginning of year	100,262
Cash and cash equivalents at end of year	$89,187
Supplemental disclosures of cash flow information	
Cash paid during the year for interest, net of capitalized interest	$17,303
Supplemental disclosures on non-cash investing and financing activites	
Fixed assets financed through other liabilities and accounts payable	$3,459

The accompanying notes are an integral part of the consolidated financial statements

1. Organization, Mission and Basis of Presentation

St Peter's Health Partners (the "Company") is a not-for-profit membership corporation formed under New York State law and exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code The Company exists for the primary purpose of organizing, facilitating, coordinating, supervising and assisting all forms of charitable organizations in advancing and supporting the charitable purposes of those organizations The mission of the Company is to provide the highest quality comprehensive continuum of integrated health care, supportive housing and community services, especially for the needy and vulnerable

The Company is sponsored by Catholic Health East ("CHE"), a Catholic, multi-institutional health system sponsored by nine religious congregations and Hope Ministries CHE is a Pennsylvania nonprofit company and is the sole member of various health care organizations known as Regional Health Corporations ("RHCs") that own and operate health care facilities and provide health care or related services in eleven states The consolidated financial statements of the Company are included in the consolidated financial statements of CHE

The Company is the sole member of multiple not-for-profit membership companies formed under New York State not-for-profit law including St Peter's Health Care Services ("SPHCS"), Northeast Heath, Inc and Affiliates ("NEH"), Seton Health System, Inc ("Seton"), and such other charitable, tax-exempt organizations through a direct chain of subsidiary membership relationships (collectively, the "Supported Affiliates"), with the Company as an RHC of CHE

The following entities are included in the consolidated financial statements of the Company

Legal Name	Service	Abbreviated Name
St. Peter's Health Care Services (SPHCS)		
St Peter's Hospital	Hospital	SPH
The Community Hospice, Inc	Community	Hospice
The Community Hospice Foundation	Other	TCH Foundation
Our Lady of Mercy Life Center	Residential	Our Lady
St Peter's Hospital Foundation, Inc	Other	SPH Foundation
Mercy Cares for Kids, Inc	Other	MCK
St Peter's Auxiliary	Other	Auxiliary
Warde Services Corporation	Other	Warde
St Peter's Nursing and Rehabilitation Center	Residential	SPNRC
Northeast Health, Inc. and Affiliates (NEH)		
Samaritan Hospital	Hospital	Samaritan
Memorial Hospital, Albany NY	Hospital	Memorial
Northeast Health Foundation Inc	Other	NEH Foundation
Samaritan Medical Office Building Inc	Other	SMOB
Samaritan Child Care Center Inc	Other	Center
Shaker Properties Inc	Other	Shaker
The Eddy Affiliates		
James A Eddy Memorial Geriatric Center, Inc	Residential	EMGC
Heritage House Nursing Center, Inc	Residential	Heritage
Beechwood, Inc	Other	Eddy Property Services
Home Aide Service of Eastern New York, Inc	Community	HASENY
Empire Home Infusion	Community	Empire
Eddy Licensed Home Care Agency	Community	Eddy Home Care
The Capital Region Geriatric Center, Inc d/b/a/ Eddy Village Green (formerly Eddy Cohoes Rehabilitation Center)	Residential	EVG
Sunnyview Hospital and Rehabilitation Center	Hospital	Sunnyview
The Marjorie Doyle Rockwell Center, Inc	Residential	MDRC
Eddy SeniorCare, Inc	Community	SeniorCare
Beverwyck, Inc	Housing	Beverwyck
Glen Eddy, Inc	Housing	Glen Eddy
Hawthorne Ridge, Inc	Housing	Hawthorne Ridge
LTC (Eddy) Inc	Other	The Eddy
Seton Health System, Inc. (Seton)		
Seton Health System St Mary's	Hospital	Seton
Seton Licensed Home Care, Inc	Community	SLHC
Affiliated Management Services Corporation	Other	AMSC
Leonard Nursing Home Company (d/b/a/ Seton Health at Schuyler Ridge Residential Healthcare)	Residential	Schuyler Ridge
Seton Health Foundation	Other	Seton Foundation
Seton Auxiliary	Other	Seton Auxiliary
Seton Real Property Holdings	Other	Seton Real Property
St Peter's Health Partners Medical Associates (SPHPMA)		
St Peter's Health Partners Medical Associates	Physician	St Peter's Health Partners Medical Associates

The accompanying notes are an integral part of the consolidated financial statements

St Peter's Hospital, Samaritan Hospital, Memorial Hospital, Albany, NY, Sunnyview Hospital and Rehabilitation Center and Seton Health System St Mary's are collectively referred to as the "Hospital"

St Peter's Hospital Foundation, Inc, The Community Hospice Foundation, Northeast Health Foundation Inc, and Seton Health Foundation are collectively referred to as the "Foundation"

Our Lady of Mercy Life Center, St Peter's Nursing and Rehabilitation Center, James A Eddy Memorial Geriatric Center, Inc, Heritage House Nursing Center, Inc , The Capital Region Geriatric Center, Inc d/b/a Eddy Village Green, and Leonard Nursing Home Company d/b/a Seton Health at Schuyler Ridge Residential Healthcare are collectively referred to as the "Nursing Home"

Beverwyck, Inc , Glen Eddy, Inc and Hawthorne Ridge are collectively referred to as "Housing"

The Community Hospice, Inc , Home Aide Service of Eastern New York, Inc , Empire Home Infusion, Eddy Licensed Home Care Agency, Seton Licensed Home Care, Inc and Eddy Senior Care, Inc are collectively referred to as "Community"

2. Significant Accounting Policies

Basis of Consolidation

The accompanying consolidated financial statements include the accounts of all entities of the Company All significant intercompany balances and transactions have been eliminated

Use of Estimates

The preparation of these consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make assumptions, estimates, and judgments that affect the amounts reported in the financial statements, including the notes thereto, and related disclosures of commitments and contingencies, if any Management considers critical accounting policies to be those that require more significant judgments and estimates in the preparation of the financial statements including, but not limited to, recognition of net patient service revenue and patient accounts receivable, which includes contractual allowances and provision for bad debts, estimates for healthcare professional and general liabilities, determination of fair values of certain financial instruments, estimated third-party liabilities and assumptions for measurement of pension liabilities Management relies on historical experience and other assumptions believed to be reasonable relative to the circumstances in making judgments and estimates Actual results could differ materially from the estimates

Cash and Cash Equivalents

Cash and cash equivalents include investments in liquid debt instruments with an original maturity of three months or less The carrying value of cash and cash equivalents approximates market value Cash and cash equivalents held by investment custodians are included in investments

Investments and Investment Income

Investments in marketable equities with readily determinable fair market values and all investments in debt securities are measured at fair value in the consolidated balance sheet Investments not traded on national exchanges are measured at net asset value based on values provided by external fund managers

Investment returns, net (including unrealized gains and losses on trading securities, realized gains and losses on investments, interest income, and dividends) is included in excess of revenue over expenses unless such earnings are restricted by donor or law Investment income from the Foundation is reported as other operating revenue in the consolidated statement of operations and changes in net assets Investment income restricted by donors or law is reported as an increase in temporarily or permanently restricted net assets Investment income is reported net of investment-related expenses

Certain of the Company's investments, including those classified as marketable securities whose use is limited, are invested and managed through the CHE Consolidated Investment Program (the "CIP Program") Additionally, the Company holds and manages certain investments locally The Company classifies its investments in the CIP Program and its locally managed unrestricted investments as trading securities

Investments also include equity investments in managed funds, which include hedge funds, private partnerships, and other investments Investments in hedge funds, private partnerships, and other investments (managed funds), are accounted for under the equity method The equity income from these managed funds is included in investment returns, net, as a component of the unrealized gain or loss in the accompanying consolidated statement of operations and changes in net assets

Investments are exposed to various risks, such as interest rate, market and credit Due to the level of risk associated with these securities and the level of uncertainty related to changes in their value, it is at least reasonably possible that changes in risks in the near term could materially affect account balances and the amounts reported in the consolidated balance sheet and statement of operations and changes in net assets

Marketable Securities and Investments Whose Use is Limited
Marketable securities and investments whose use is limited primarily include marketable securities and investments designated by governance for future capital improvements and other purposes, in accordance with agreements with outside parties, by trustees under bond indenture agreements, and by donor restrictions

Derivative Financial Instruments
The Company recognizes all derivative instruments in the consolidated balance sheet at fair value The change in fair value of derivatives is recognized as a component of excess of revenues over expenses in the consolidated statement of operations and changes in net assets

Inventories
Inventory is valued at the lower of cost (first-in, first out) or market, net of reserves for obsolescence

Property and Equipment
Property and equipment acquisitions are recorded at cost Depreciation is expensed over the estimated useful life, which ranges from 2 to 40 years, of each class of depreciable assets and is computed using the straight-line method Equipment under capital lease obligations is amortized on the straight-line method over the shorter period of the lease term or the estimated useful life of the equipment Such amortization is included in depreciation and amortization in the consolidated financial statements Interest cost on borrowed funds during the period of construction of capital assets is capitalized as a component of the cost of constructing those assets Repair and

maintenance costs are expensed as incurred When property and equipment are retired, sold or otherwise disposed of, the asset's carrying amount and related accumulated depreciation are removed from the accounts and any gain or loss is included in operations

Gifts of long-lived assets such as land, buildings, or equipment are reported as unrestricted support, and are excluded from excess of revenues over expenses, unless explicit donor stipulations specify how the donated assets must be used Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support Absent explicit donor stipulations about how long those long-lived assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service

Long-Lived Assets
The Company evaluates the carrying value of its long-lived assets for impairment when impairment indicators are identified In the event that the carrying value of a long-lived asset is not supported by the fair value, the Company will recognize an impairment loss for the difference The Company did not recognize any impairment losses in 2012

Goodwill
The Company recognizes goodwill in excess of the fair value of the separately identifiable net assets acquired The Company's goodwill and other intangible assets with indefinite lives are not amortized, rather, they are tested for impairment at least annually, through a process which first evaluates any triggering event associated with an impairment, and second, an actual measurement of the impairment, if necessitated

Asset Retirement Obligations
The Company has asset retirement obligations ("AROs") representing their obligation to remediate specific environmental matters in the event the Company were to renovate or demolish certain buildings in the future The liability was initially measured at fair value and subsequently adjusted for accretion expense and changes in the amount or timing of the estimated cash flows The corresponding asset retirement costs are capitalized as part of the carrying amount of the related long-lived asset and depreciated over the asset's remaining useful life The amount of the obligation at December 31, 2012 is $2,755,500

Investment in Unconsolidated Organization
Investment in unconsolidated organization represents the Company's investments in joint ventures or partnerships and these investments are recorded in other long term assets in the consolidated balance sheet The equity method is used to account for these investments

Refundable Entrance Fees and Unearned Entrance Fees
The Company operates residential facilities for the elderly Fees paid by residents upon entering into continuing care contracts, net of the portion that is refundable to the resident, are recorded as deferred revenue and amortized to income using the straight-line method over the estimated remaining life expectancy of the resident

Monthly Resident Service and Entrance Fees
Each potential Beverwyck, Glen Eddy and Hawthorne Ridge resident is required to sign a Residency Agreement The Residency Agreement sets forth the responsibilities of Beverwyck, Glen Eddy, Hawthorne Ridge, and the residents, including each resident's requirement to pay a

monthly service fee and an entrance fee depending upon the type of unit and the percentage of the entrance fee refundable to the resident In addition, a rental option is available at a monthly service fee depending upon the unit These fees are recorded in other assets in the consolidated balance sheet

Upon termination of a Residency Agreement by Beverwyck, Glen Eddy, Hawthorne Ridge, or the resident, a resident may be entitled to a prorated refund of the entrance fee within a period of six months The minimum amount of any refund varies depending upon the financing option selected by the resident The minimum refundable amounts are included in the combined balance sheet under the caption refundable entrance fees Refundable entrance fees due to former residents are included in the accompanying consolidated balance sheet as other current liabilities in the amount of $1,350,000 as of December 31, 2012

The maximum nonrefundable portion of the entrance fees are recorded as unearned entrance fees in the consolidated balance sheet and are amortized monthly to revenue using the straight-line method, assuming a period not to exceed sixty months The maximum amount of unearned entrance fees realized per resident is ultimately dependent upon the shorter of, the term of the Residency Agreement or sixty months Included in refundable entrance fees and unearned entrance fees at December 31, 2012 is deferred revenue of approximately $3,752,000

Deferred Compensation
The Company has agreements with certain executives and physicians, which permit deferral of compensation which are invested in trusteed accounts pursuant to agreements executed on behalf of the beneficiaries Compensation and benefits are funded on a tax-deferred basis, pursuant to section 457(f) of the Internal Revenue Code The value of the deferred compensation is $2,998,000 at December 31, 2012 The deferred compensation plan assets and related liabilities are reported at fair value in other assets and other liabilities on the consolidated balance sheet

Deferred Debt Issuance Costs
Deferred debt issuance costs included in other assets at December 31, 2012 totaling $6,850,000 is amortized using the straight-line method over the life of the related debt, which approximates the effective interest method Accumulated amortization for the year ended December 31, 2012 was $2,311,000

Temporarily and Permanently Restricted Net Assets
Temporarily restricted net assets are those whose use by the Company has been limited by donors to a specific time period or purpose Permanently restricted net assets have been restricted by donors to be maintained in perpetuity

The Company classifies the portion of donor-restricted endowment funds of perpetual duration as permanently restricted net assets Permanently restricted net assets of the Company are comprised of a) the original value of gifts donated to the Company through a permanent endowment, b) the original value of subsequent gifts to the Company through a permanent endowment, and c) accumulations to the permanent endowment in accordance with applicable donor gift instruments Any portions of donor-restricted endowment funds that are not classified as permanently restricted are appropriated in accordance with donor intent

Excess of Revenues over Expenses
The consolidated statement of operations and changes in net assets includes excess of revenues over expenses Changes in unrestricted net assets which are excluded from excess of revenues over expenses include permanent transfers of assets to and from affiliates for other than goods and services, pension adjustments, and contributions of long-lived assets (including assets acquired using contributions which by donor restriction were to be used for the purpose of acquiring such assets)

Non-Operating Gains (Losses)
Non-operating gains consist primarily of investment returns, net which include investment income, dividends, net unrealized gains (losses) on trading securities, realized gains and losses on trading securities, change in the fair value of interest rate swaps

Other Operating Revenue
Other operating revenue is derived from services other than the provision of health care services or coverage to patients These revenues consist primarily of federal and state grants, rental income, support services, parking garage income, gift shop income, cafeteria income, maintenance fee income, Foundation investment income, and other miscellaneous income

Net Patient Service Revenue
Third-party payors (Medicare, Medicaid, and commercial insurance payors) provide payments to the Company at amounts different from their established rates Payment arrangements include prospectively determined rates per discharge, reimbursed costs, discounts from established charges, and per diem payments Net patient service revenue is the estimated amount to be realized for services rendered, including estimated retroactive adjustments Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods, as final settlements are determined

Allowance for Doubtful Accounts
Accounts receivable are reduced by an allowance for doubtful accounts In evaluating the collectability of accounts receivable, the Company analyzes its historical data and trends for each of its major payor sources of revenue to estimate the appropriate allowance for doubtful accounts and provision for bad debts Management regularly reviews data about these major payor sources of revenue in evaluating the sufficiency of the allowance for doubtful accounts For receivables associated with services provided to patients who have third-party coverage, the Company analyzes contractually due amounts and provides an allowance for doubtful accounts and a provision for bad debts, if necessary For receivables associated with self-pay patients, the Company records a significant provision for bad debts in the period of service on the basis of historical data, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible The difference between the standard rates (or discounted rates if negotiated) and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for doubtful accounts

The Company provides an allowance for uncollectible accounts for estimated losses resulting from the unwillingness of patients and other third party payors to make payments for services The allowance is determined by analyzing historical data and trends Accounts receivable are charged off against the allowance for uncollectible accounts when management determines that recovery is unlikely and the Company ceases collection efforts

The accompanying notes are an integral part of the consolidated financial statements

Charity Care
The Company provides services to all patients regardless of ability to pay In accordance with the Company's policy, a patient is classified as a charity patient based on income eligibility criteria as established by the *Federal Poverty Guidelines* Charges for services to patients who meet the Company's guidelines for charity care totaling $24,605,000 in 2012 are not reflected in the accompanying consolidated financial statements The direct and indirect costs associated with these services for charity care provided by the Company approximate $8,940,000 in 2012 Charity care data for services provided is based on the cost of patient care services with costs being determined by application of the standard cost-to-charge ratio These amounts do not include the provision for bad debts totaling $41,120,000 in 2012 which is reflected separately in the consolidated statement of operations and changes in net assets

Donor-Restricted Gifts
Unconditional promises to give cash and other assets are reported at fair value at the date the promise is received Conditional promises to give and indications of intentions to give are reported at fair value at the date the gift is received The gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the consolidated statement of operations and changes in net assets as net assets released from restrictions Donor-restricted contributions whose restrictions are met within the same year as received are reported as unrestricted contributions in the accompanying consolidated financial statements

Tax Status
The Company is classified for tax purposes as an organization under 501(c) (3) of the Internal Revenue Code (the Code), and as such it is generally exempt from income taxes under the provisions of Section 501(a) of the Code Management has evaluated accounting for uncertainty in income taxes and there was no impact to the Company's financial statements for the year ended December 31, 2012

Samaritan Medical Office Building (SMOB) was incorporated in 1978 to own and operate a physicians' office building on the campus of Samaritan SMOB is a for-profit corporation subject to federal and state income taxes

Affiliated Management Services Corporation (AMSC) is a for-profit real estate holding company that owns and leases medical office buildings

Adoption of Accounting Pronouncements
On January 1, 2012, the Company adopted the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No 2011-07, *Presentation and Disclosure of Patient Service Revenue, the Provision for Bad Debts, and Allowance for Doubtful Accounts* This guidance requires the Company to modify the presentation of its consolidated statement of operations and changes in net assets by reclassifying the provision for bad debts associated with patient service revenue from an operating expense to a deduction from patient service revenue Additionally, the guidance requires enhanced disclosure about the Company's policies for recognizing revenue and assessing bad debts, patient service revenue (net of contractual allowances and discounts), and qualitative and quantitative information about changes in the allowance for doubtful accounts

The accompanying notes are an integral part of the consolidated financial statements

In May 2011, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No 2011-04, *Fair Value Measurement-Topic 820 Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U S GAAP and International Financial Reporting Standards*, to provide a consistent definition of fair value and ensure that the fair value measurement and disclosure requirements are similar between U S GAAP and International Financial Reporting Standards ASU 2011-04 changes certain fair value measurement principles and enhances disclosure requirements, particularly for Level 3 fair value measurements ASU 2011-04 was effective during the fiscal year ended December 31, 2012 and is applied prospectively The adoption of ASU 2011-04 did not have a material effect on the Company's financial statements

3. Net Patient Service Revenue

Net patient service revenue from the Medicare and Medicaid programs, exclusive of managed care, accounted for approximately 27% and 8%, respectively, of total net patient service revenue in 2012 Compliance with laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term

Management believes that adequate provision has been made for adjustments that may result from reviews by third-party payors Estimated net settlements related to Medicare and Medicaid, collectively, of $16,416,000 in 2012 are included in the accompanying consolidated balance sheet The amounts recorded for these estimated settlements approximate their fair value

Net patient service revenue is reported at estimated net realizable amounts from patients, residents, third-party payors, and others for services rendered and include estimated retroactive revenue adjustments due to future audits, reviews and investigations The Hospital has agreements with third-party payors that provide for payments to the Hospital at amounts different from its established rates Provisions for amounts due to or from third party reimbursement agencies are provided in the period the related services are rendered Payment arrangements include prospectively determined rates per discharge, reimbursed costs with limits, discounted and per diem payments Retroactive adjustments are considered in the recognition of revenue on an estimated basis in the period the related services are rendered, and such amounts are adjusted in future periods as adjustments become known or as years are no longer subject to such audits, reviews and investigations In 2012 the Company recognized revenue of approximately $11,641,000 as a result of a change in estimate related to prior years

Inpatient acute care services rendered to Medicare and Medicaid program beneficiaries and rehabilitation, home health and certain outpatient services rendered to Medicare program beneficiaries are paid at prospectively determined rates per discharge or encounter These rates vary according to a patient classification system that is based on clinical, diagnostic, resource utilization and other factors Certain other Medicare outpatient services are reimbursed at established fee schedules Medicaid outpatient services are reimbursed on prospectively determined fee schedules Capital costs for Medicare are reimbursed on a prospectively determined rate per discharge Capital costs for Medicaid are reimbursed based on a cost reimbursement methodology The Hospitals are reimbursed for cost reimbursable items at a tentative rate with final settlement determined after submission of annual cost reports and audits thereof by the fiscal intermediary The Hospital's classification of patients under the Medicare program and the appropriateness of their admission are subject to an independent review by a

peer review organization SPH and Seton's Medicare cost reports have been audited and final settled by the Medicare fiscal intermediary through December 31, 2008 However, SPH 2004 cost report is still open as of December 31, 2012 Memorial and Samaritan's Medicare cost reports have been audited and final settled by the Medicare fiscal intermediary through December 31, 2007 However, Memorial cost report has been audited and final settled for 2009

Senior Care Services – The Nursing Home have agreements with third-party payors that provide for payments at amounts different from its established rates Reimbursement for skilled nursing services under Part A of the Medicare program is based on a prospective payment system (PPS) formula Under PPS, a single per diem rate is paid that covers all routine, ancillary and capital related costs The per diem payment is adjusted for each Medicare beneficiary based on their care needs as measured by the Minimum Data Set ("MDS") assessment form The Medicare residents are classified into one of fifty-three categories in a Resource Utilization Group Classification System ("RUGs") based on MDS information Reimbursement for skilled nursing services under the Medicaid program is based on a modified pricing system using the RUGs patient classification system Under this methodology, reimbursement is at a predetermined rate depending on the intensity of the services rendered to residents regardless of the cost of delivering those services Medicaid's predetermined rate is computed using cost report data from the facility's designated base year and elements from annual cost report filings For all other payors, long-term rehabilitative services are paid on a per diem basis Adult daycare services are paid at various rates under different agreements with third-party payors, commercial insurance carriers and health maintenance organizations The basis for payment under these agreements includes discounts from established charges, fee schedules, reasonable cost and prospectively determined per diem rates The Nursing Home as well as HASENY cost reports are settled through December 31, 2011

The following summarizes net patient service revenue for the year ended December 31

(in thousands of dollars)	2012	
	Gross Charges	**Deductions**
Medicare	$795,548	$529,012
Medicaid	179,085	94,265
Managed care and other	1,714,454	1,103,830
Uninsured	111,718	38,828
	$2,800,805	1,765,935
Provision for bad debts		41,120
Net patient service revenue		$993,750

The New York Health Care Reform Act of 1996 ("NYHCRA") allows New York hospitals to negotiate non-Medicaid rates of payment Medicaid, Workers' Compensation, and No-Fault rates will continue to be regulated by New York State using methods similar to those used under previous prospective cost based methods The ultimate amount of reimbursement to be received from these payors is dependent on the filing and audit of the acute care facility's annual cost reports and other data The Company has made provisions in the financial statements for adjustments that may result from such audits

The accompanying notes are an integral part of the consolidated financial statements

4. Marketable Securities and Investments Whose Use is Limited and Equity Investments in Managed Funds

The composition of investments at December 31 is as follows

(in thousands of dollars)

	2012
Reported at fair value	
Cash and cash equivalents	$119,907
Marketable equity securities	144,845
Marketable debt securities	75,568
Perpetual trust assets	4,950
	345,270
Reported under the equity method	
Managed funds	75,927
	$421,197

Certain of the Company's long-term investment assets are held in the CIP Program The CIP Program is structured under a Program Participation Agreement (the "Agreement") between the Company and CHE All investments in the CIP Program are professionally managed under the administration of CHE

The Company's investments held in the CIP Program are assigned a weighted value for the period of time the funds are invested in the CIP Program Investment income from the CIP Program, including interest income, dividends, and realized gains and losses on sales of securities, and unrealized gains and losses are distributed to the Company based on their weighted value of investment

The underlying fair value of investments in the CIP Program, which are traded on national exchanges (except for managed funds), is based on the final reported sales price on the last business day of the year The fair value of investments traded in over-the-counter markets is based on the average of the last recorded bid and asked prices

Investment returns, net, is comprised of the following for the years ended December 31

(in thousands of dollars)

	2012
Unrestricted net assets	
Interest and dividends	$6,241
Net realized gains on investments - trading securities	640
Less other operating revenue - Foundation investment income	(1,137)
Net unrealized gains on investments - trading securities	17,481
	$23,225
Temporarily restricted net assets	
Interest and dividends	$176
Net realized and unrealized gains on investments	4,617
	$4,793
Permanently restricted net assets	
Net realized and unrealized gains on investments	$494
Interest and dividends	12
	$506

The following managed fund investments are recorded under the equity method of accounting, which is similar to using the net asset value per share of the investments as of December 31, 2012

(in thousands of dollars)	Recorded Value	Unfunded Commitments	Commitment Term	Redemption Terms
Fund of Hedge Funds	$63,866	$ -	n/a	Quarter-end, semiannually, or anniversary date, with 45-95 days prior written notice, 60 days and 65 days
Real Estate	5,361	$1,187	2-10 years, n/a for one mutual fund	Redemption not permitted
Private Equity	6,700	$3,222	3-15 years	Redemption not permitted
Total	$75,927			

The accompanying notes are an integral part of the consolidated financial statements

5. Fair Value Measurements

The company adheres to applicable accounting guidance for fair value measurements This guidance defines fair value, establishes a framework for measuring fair value under accounting principles generally accepted in the United States of America and requires certain disclosures about fair value measurements Fair value is defined under the guidance as the exchange price that would be received for an asset or paid to transfer an liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date

As a basis for considering assumptions, accounting guidance for fair value measurements establishes a hierarchical framework for measuring fair value (the fair value hierarchy) as follows

Level 1 Quoted prices in active markets for identical assets

Level 2 Observable inputs other than Level 1 prices, such as quoted prices for similar instruments, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data

Level 3 Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement

Financial instruments measured at fair value are based on one or more of the three valuation techniques noted in fair value guidance The three valuation techniques are a follows

Market approach Prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities

Cost approach Amount that would be required to replace the service capacity of an asset (i e , replacement cost)

Income approach Techniques to convert future amounts to a single present amount based on market expectations (including present value techniques and option-pricing models)

The accompanying notes are an integral part of the consolidated financial statements

The Company measures its interest rate swaps at fair market value on a recurring basis The fair market value of the interest rate swaps is determined based on financial models that consider current and future market interest rates and adjustments for non-performance risk Financial instruments that are measured at fair value at December 31, 2012 are as follows

	2012				
(in thousands of dollars)	Level 1	Level 2	Level 3	Total	Valuation Technique
Consolidated investment program					
Cash and cash equivalents (1)	$10,468	$13,830	$ -	$24,298	Market
Marketable equity securities (2)	80,714	35,502	-	116,216	Market
Marketable debt securities (3)	12,569	52,316	-	64,885	Market
Total consolidated investment program	103,751	101,648	-	205,399	
Separately invested					
Cash and cash equivalents (1)	95,609	-	-	95,609	Market
Marketable equity securities (2)	25,458	3,171	-	28,629	Market
Marketable debt securities (3)	10,683	-	-	10,683	Market
Perpetual trust assets (4)	-	-	4,950	4,950	Market
Total separately invested	131,750	3,171	4,950	139,871	
Total marketable securities and investments whose use is limited at fair value	$235,501	$104,819	$4,950	$345,270	
Managed Funds				75,927	
Total marketable securities and investments whose use is limited				$421,197	
Derivative financial instruments					
Interest rate swaps - liabilities (5)		($5,071)			Market

(1) **Cash & cash equivalents -** The fair value of cash and cash equivalents, consisting primarily of cash and money market funds, is classified as Level 1, as these financial instruments are highly liquid The fair value of certificates of deposit and commercial paper are classified as Level 2 Cash and Cash Equivalents because their valuations are based on multiple sources of information, including quoted prices from active and non-active markets, and amortized costs which approximates fair value

(2) **Marketable equity securities** – Equity securities include both domestic equity and international equity asset classes Investments in certain equity securities represent investments in commingled funds consisting primarily of equity securities These investments are classified as Level 2 because although they are traded in an active market for daily closing prices measured primarily on a NAV basis, their closing prices are not published or available on active exchanges At December 31, 2012 and 2011, notice periods are generally three (3) business days, according to provisions of the respective investment agreements Investments in other equity (common and preferred) securities that are not considered commingled funds are measured at fair value using quoted market prices on active exchanges They are classified as Level 1 as they are traded in an active market for which daily closing stock prices are readily available

(3) **Marketable debt securities** – Investments in certain fixed income securities represent investments in registered investment companies consisting primarily of fixed income securities These investments, as well as investments in U S Government securities, are classified as Level 1 because they are traded in an active market for which daily closing prices, measured primarily on a NAV basis, are available Investments in other fixed income securities that are not considered registered investment companies or U S Government securities are comprised primarily of corporate debt instruments and mortgage-backed securities issued by government sponsored agencies These fixed income securities are classified as Level 2 based on multiple sources of information, which may include quoted market prices from either markets that are not active or are for the same or similar assets in active markets Investments in certain fixed securities represent investments in commingled funds consisting primarily of fixed securities These investments are classified as Level 2 because although they are traded in an active market for daily closing prices measured primarily on a NAV basis, their closing prices are not published or available on active exchanges

(4) **Perpetual trusts** – Perpetual trusts are assessed a net asset value per share for these alternative investments that has been calculated in accordance with investment company rules, which among other requirements, indicates that the underlying investments be measured at fair value They are classified as Level 3 because of the nature of the perpetual trust investment and its transparency to the underlying investments within the trust

(5) **Interest rate swaps -** The interest rate swap agreements are valued using a pricing service at net present value These evaluated prices render these instruments Level 2 The volatility in the fair value of the swap agreements change as long-term interest rates change

A roll forward of those marketable securities and investments whose use is limited that have been classified by the company as Level 3 within the fair value hierarchy (defined above) is as follows

	2012	
(in thousands of dollars)	**Perpetual Trusts**	**Marketable Debt Securities**
Fair value January 1	$4,584	$1,877
Purchases	2,464	-
Realized gains	293	124
Unrealized gains	202	-
Change in fair value of trust	-	-
Sales	(2,593)	(2,001)
Fair value December 31	$4,950	$0

There were no transfers between levels 1 and 2 for the year ended December 31, 2012

6. Pledges Receivable

Pledges receivable are recorded in the consolidated balance sheet either as current or long-term based on pledge payment dates specified by the donors Current portions are included within other accounts receivable and long-term portions are included with other assets in the consolidated balance sheet as of December 31, 2012 An allowance for estimated uncollectible pledges is recorded to reduce pledges receivable to their estimated net realizable value Pledges that are greater than one year are discounted and recorded at the present value of future cash flows

Total pledges receivable are as follows at December 31

(in thousands of dollars)	**2012**
Within one year	$3,238
Less allowance for uncollectible pledges	(418)
Total less than one year	2,820
One to five years	3,134
Over five years	406
	3,540
Less present value discount	(685)
Less allowance for uncollectible pledges	(170)
Total greater than one year	2,685
Total pledges receivable	$5,505

The accompanying notes are an integral part of the consolidated financial statements

7. Property and Equipment, net

The following summarizes property and equipment, net at December 31

(in thousands of dollars)

	2012
Land and land improvements	$48,055
Buildings and building improvements	627,340
Equipment	378,529
	1,053,924
Accumulated depreciation and amortization	(403,198)
	650,726
Construction in progress	24,294
Total	$675,020

At December 31, 2012 the estimated costs to complete the construction in progress projects approximate $20,452,000 Interest costs of $906,000, net of related interest income, were capitalized to construction in progress during 2012 At December 31, 2012 obligated commitments on construction contracts related to the Master Facility Project approximated $12,215,000

8. Derivative Financial Instruments

CHE and the Company have entered into derivative transactions for the purpose of reducing the impact of fluctuations in interest rates and reducing interest expense CHE and the Company have entered into fixed-to-floating interest rate swaps and basis swaps CHE and the Company have elected not to designate any of the swap agreements as hedges for financial reporting purposes

At December 31, 2012, fourteen basis swap transactions were outstanding in the CHE program with notional amounts totaling $717,000,000 and maturity dates ranging from February 2023 to December 2028 In the basis swap transactions, CHE receives a floating taxable rate and pays a floating tax-exempt rate

At December 31, 2012, four fixed-to-floating interest rate swap agreements were outstanding in the CHE program with notional amounts totaling $95,000,000 and maturity dates ranging from March 2014 to April 2017 The fixed-to-floating interest rate swap agreements effectively convert a portion of CHE's fixed rate debt to a floating rate

At December 31, 2012, three fixed-to-floating interest rate swaps were outstanding outside the CHE program ("Fixed-to-floating, non CHE") with notional amounts totaling $47,180,000 and maturity dates ranging from November 2013 to August 2033 In accordance with these swap agreements, a collateral account may be required as security for the swap

The Company's fair value of derivative instruments at December 31 are as follows

	2012	
(in thousands of dollars)	**Balance Sheet Location**	**Fair Value**
Interest rate contracts		
Fixed-to-floating	Other assets	$105
Basis	Other assets	$166
Fixed-to-floating, non CHE	Other liabilities	($5,342)

The effects of derivative instruments on the consolidated statement of operations and changes in net assets for 2012 and 2011 are as follows

(in thousands of dollars)	**Location of Gain (Loss) Recognized in Statement of Operations**	**Amount of Gain (Loss) Recognized in Statement of Operations**	**Percentage Participation in CHE Swap programs**
Interest rate contracts			
Fixed-to-floating	Change in fair value of interest rate swaps	($69)	10 5%
Basis	Change in fair value of interest rate swaps	369	2 8%
Fixed-to-floating, non CHE	Change in fair value of interest rate swaps	(715)	N/A
Total		($415)	

Certain derivative instruments contain credit-risk-related provisions that require posting collateral in varying amounts based on respective credit ratings If related debt were to fall below investment grade, the counterparties to the derivative instruments would require fully collateralizing the net liability of the derivative instruments Based on CHE's credit rating, CHE was not required to post collateral as of December 31, 2012 on the CHE program instruments Locally held derivative instruments (non-CHE) required posted collateral at December 31, 2012 in the amount of $474,000

The accompanying notes are an integral part of the consolidated financial statements

9. Long-Term Debt

Long-term debt at December 31 consists of the following

(in thousands of dollars)	**2012**
Revenue Bonds	
City of Albany, New York 2011 revenue bonds, bearing interest at a fixed rate (ranging from 3 00% to 6 25%) with semi-annual principal payments payable through 2038 - Master Facilities Plan buildings and equipment projects (SPH)	$33,735
Unamortized bond premium and discount, net	(877)
	32,858
City of Albany, New York 2008 revenue bonds, bearing interest at a fixed rate (ranging from 4 00% to 5 75%) with semi-annual principal payments payable through 2036 - Master Facilities Plan buildings, land, receivables, and equipment pledged as collateral (SPH)	206,530
Unamortized bond premium and discount, net	900
	207,430
City of Cohoes Industrial Development Agency, 2008 Urban Cultural Park Facility Revenue Bonds (EVG)	29,280
Schenectady County Industrial Development, 2003 revenue bonds (Sunnyview)	10,400
Dormitory Authority of the State of New York, 1995 revenue bonds (Beverwyck)	4,200
Rensselaer County Indurstrial Development Agency 2005 revenue bonds (Hawthorne Ridge)	8,565
Mortgages Payable	
Rensselaer County Industrial Development Agency and Albany County Industrial Development Agency (East Greenbush Imaging, Memorial)	4,749
HUD Insured Mortgage (SPNRC)	5,057
HUD Insured Mortgage (Our Lady)	6,303
Notes Payable and Lines of Credit	
PNC note payable issued on December 14, 2012 at a rate of LIBOR + 115 basis points (1 15%) with a maturity date of December 14, 2013 (Seton)	42,298
Key Bank National Commercial loan at adjusted Libor rate of 2 2%	4,198
Capital leases (SPH, Samaritan, Memorial) payable over various terms through 2015	526
	355,864
Less current portion	(55,076)
Total	$300,788

The accompanying notes are an integral part of the consolidated financial statements

Aggregate maturities of long-term debt obligations are as follows at December 31, 2012

(in thousands of dollars)

2013	$55,076
2014	12,526
2015	12,893
2016	12,694
2017	12,851
Thereafter	249,824
	$355,864

The fair value of the Company's long term debt is based on quoted market prices or estimates using discounted cash flow analyses, based on the Company's incremental borrowing rates for similar types of borrowing arrangements (level 2) The fair value of the Company's long-term debt, based on quoted prices for similar instruments, at December 31, 2012 was approximately $321,042,000 compared to the carrying value of $292,733,000 This excludes capital leases, notes payable, and mortgage notes

Revenue Bonds
SPH
On February 3, 2011 SPH issued $34,160,000 of Civic Facilities Tax-Exempt Revenue Bonds Series 2011 (the "Series 2011 Bonds") The bonds were issued through the City of Albany Capital Resource Corporation They will be used to fund building and equipment related to SPH's Master Facility Plan, to fund a debt service reserve fund totaling $2,786,000, for payment of capitalized interest totaling $2,412,000 and for debt issuance costs of $671,000 Trustee held funds related to the Series 2011 Bond proceeds are included in marketable securities who use is limited in the consolidated balance sheet

In January 2008, SPH issued $230,363,000 of Civic Facilities Tax-Exempt Revenue Bonds consisting of the Series 2008-A through Series 2008-E (the "Series 2008 Bonds") The Series 2008 Bonds were issued through the City of Albany Industrial Development Agency The proceeds of the Series 2008 Bonds were used to finance SPH's Master Facilities Plan with an estimated project cost of $258,000,000, to advance refund and defease the Series 1993 Bonds totaling $21,713,000, to fund a debt service reserve fund for the Series 2008 Bonds totaling $18,000,000 and for payment of capitalized interest and debt issuance costs on the Series 2008 bonds of approximately $35,207,000

SPH's Master Facilities Plan includes, but is not limited to, the renovation of hospital facilities, construction of a new patient pavilion, construction of a new parking facility, and the acquisition of related medical equipment

Under the Series 2008 Bonds and the Series 2011 Bonds, included in the Master Trust Indenture, SPH has agreed to comply with certain debt covenants including, long term debt coverage ratio of at least 1 1 to 1 0, liquidity covenant of a level not less than 55 days of operating expenses, to deliver financial statements and other related information by specified due dates and to maintain insurance

The accompanying notes are an integral part of the consolidated financial statements

EVG

In December 2008, the City of Cohoes Industrial Development Agency issued $30,750,000 of tax-exempt Eddy Village Green Project Variable Rate Urban Cultural Park Facility Revenue Bonds, Series 2008 on behalf of EVG to finance a portion of construction costs of a 192 bed skilled nursing care facility, a maintenance building, certain machinery and equipment issuance costs The Series 2008 Bonds were issued pursuant to the terms of a Trust Indenture by and between the Issuer and The Bank of New York Mellon, as trustee (Trustee), dated as of December 2008 (the "Indenture") The Series 2008 Bonds are special obligations of the Issuer payable solely from and secured by a pledge of payments to be made under an Installment Sale Agreement, dated December 2008 between EVG and the Issuer EVG issued a note to the Trustee pursuant to the Trust Indenture The note is secured by a pledge of and lien on the gross receipts of EVG and a security interest in EVG's real and personal property The note contains certain restrictive covenants, including a days cash on hand requirement of 50 days

In accordance with the terms and conditions set forth in the Indenture, the Bonds bear interest at weekly rates (average interest rate of 0 18% for 2012) The weekly rate is established by the remarketing agent at a level that causes the Bonds to have a market value equal to face value plus accrued interest on the rate adjustment date applicable to the interest period The maximum rate of interest which the Bonds may bear during any interest period shall be the lesser of 12% per annum or such other maximum rate permitted by law The interest rate for all of the Bonds may be converted to a fixed rate at the option of EVG on any interest payment date in accordance with the Indenture, starting in 2011 and continuing so long as the variable interest rate option is maintained, or, at face value plus redemption premiums should the interest rate be converted to a fixed rate To date, EVG has not elected to convert to a fixed interest rate

In accordance with the Indenture and related Reimbursement Agreement, EVG maintains a direct pay, irrevocable letter of credit with a bank to ensure the payment of the interest and bond principal amounts The amount available under this letter of credit as of December 31, 2012 is $29,617,000 The letter of credit fee is 1 10% at December 31, 2012 and expires in December 2015

An Intercreditor Agreement, dated December 2008, was executed by all parties to the financing (the Trustee, the Bank and the Issuer) The Intercreditor Agreement provided for the sharing of collateral which is made up of real and personal property of EVG and describes the procedures to be followed by the lenders in the event of default by EVG

In December 2008, EVG entered into an interest rate swap agreement with a counterparty whereby EVG pays a fixed rate of 2 86% and receives a variable rate of interest based upon the Municipal Swap Index (SIFMA Index), on a notional amount of $30,750,000 EVG entered into the swap for the purpose of hedging variability in cash flows associated with interest payments on long-term debt The interest rate swap agreement matures on December 1, 2018 The fair value of the interest rate swap included in other liabilities in the consolidated balance sheet at December 31, 2012 was $3,367,000

Sunnyview

During May and June 2003, the Schenectady County Industrial Development Agency (Issuer) issued Civic Facility Revenue Bonds, Series 2003A ($8,000,000) and 2003B (4,780,000) (collectively, the Bonds) for the purposes of financing Sunnyview's expansion and renovation construction project, and refinancing Sunnyview's 10 year term loan The Bonds were issued pursuant to the terms of an Indenture of Trust by and between the Issuer and Wells Fargo Bank Minnesota, NA, as trustee (Trustee), dated as of May 1, 2003 (the Indenture)

The Bonds are special obligations of the Issuer payable solely from and secured by a pledge of payments to be made under an Installment Sale Agreement, dated May 1, 2003, between Sunnyview and the Issuer As additional security for the Bonds, Sunnyview as the initial member (only member) of an Obligated Group, issued Obligated Group Notes to the Trustee pursuant to a Master Trust Indenture and Supplemental Master Indenture The Obligated Group Master Notes will be an obligation of Sunnyview secured by a pledge of and lien on the gross receipts of Sunnyview and a mortgage lien on Sunnyview's real property

The principal of the Series 2003A and Series 2003B Bonds is repayable in annual aggregate installments beginning August 1, 2003 The installment amounts range from $50,000 to $710,000, through the maturity of the issues on August 1, 2033 Interest on the Bonds is payable quarterly The Bonds bear interest at variable rates that are reset at weekly intervals (the average interest rates for 2012 was 0 25%) The weekly rate is established by the remarketing agent at a level that causes the Bonds to have a market value equal to face value plus accrued interest on the rate adjustment date applicable to the interest period The maximum rate of interest which the Bonds may bear during any interest period shall be the lesser of 15% per annum or the maximum rate specified in the credit facility then securing the Bonds At the option of Sunnyview, the variable interest rate reset intervals may be converted to semi-annual, annual, or longer periods In any of these instances, interest payments on the Bonds would then be made semi-annually

In accordance with the Indenture and a related Reimbursement Agreement with the Trustee, Sunnyview is required to maintain direct pay, irrevocable letters of credit with a bank to ensure the payment of the Bond principal amounts on each series of the Bonds plus an amount equal to 35 days interest thereon at a maximum rate of 10% per annum The variable interest rate on the Bonds was 0 17% at December 31, 2012 The letter of credit as of December 31, 2012 was approximately $10,499,000 and the annual fee is 1 95%, maturing in February 2015 Sunnyview must satisfy certain financial performance and reporting requirement covenants annually as long as the Bonds are outstanding, including a debt service coverage ratio of 1 2 times the annual adjusted debt service

Under the terms of the Indenture, Sunnyview has established certain funds with the proceeds of the Bonds These funds are classified as marketable securities whose use is limited in the consolidated financial statements at December 31, 2012

To effectively convert the interest payments associated with the Bonds from a variable rate to a fixed rate, Sunnyview entered into an interest rate swap agreement with Morgan Stanley Capital Services, Inc (the swap counterparty) in June 2003 Sunnyview pays a fixed rate of 3 072% and receives a variable rate of interest based upon LIBOR, based upon a notional amount of $12,730,000 The variable rate is reset monthly at 67% of the one-month LIBOR rate (the one-month LIBOR rate was 0 29% at December 31, 2012) If the quarterly interest charge at the variable rate is less than the fixed rate, then Sunnyview pays the swap counterparty the difference between the variable rate calculated interest charge for the quarter and the fixed rate of 3 072% If the quarterly interest charge at the variable rate is greater than the fixed rate, the swap counterparty pays Sunnyview the difference between the fixed rate and the variable rate calculated interest charge for the quarter The maturity date of the swap agreement is August 1, 2033 The fair value of the interest rate swap included in other liabilities in the consolidated balance sheet at December 31, 2012 was $1,796,000

Beverwyck

In November 1995, the Dormitory Authority of the State of New York (Dormitory Authority) issued $22,440,000 of Beverwyck, Inc Revenue Bonds, 1995 Issue on behalf of Beverwyck Pursuant to the terms and conditions set forth in the Revenue Bond Resolution (Bond Resolution), dated September 6, 1995 with the Dormitory Authority, the bonds bear interest at weekly rates (average interest rates for 2012 was 0 23%) and mature at various dates through July 1, 2025 The weekly rate is established by the remarketing agent at a level that causes the Bonds to have a market value equal to face value plus accrued interest on the rate adjustment date applicable to the interest period The maximum rate of interest which the bonds may bear during any interest period shall be the lesser of 12% per annum or such other maximum rate permitted under a substitute credit facility then securing the bonds The interest rate for all of the bonds may be changed on any interest payment date in accordance with the Bond Resolution Interest payments are funded monthly to a debt service fund held by a trustee and payable semi-annually to bondholders These funds are presented in the consolidated financial statement as assets whose use is limited Beverwyck also maintains a $1,000,000 line of credit to provide back-up liquidity for refunds of entrance fees for original residents of Beverwyck

In accordance with the Bond Resolution, Beverwyck maintains a direct pay, irrevocable letter of credit with a bank to ensure the payment of the interest and bond principal amounts The amount available under this letter of credit as of December 31, 2012 was $4,269,000 Beverwyck is charged an annual fee on the outstanding bonds for the letter of credit (1 05% at December 31, 2012) Also, during the term of the letter of credit, Beverwyck is to maintain a minimum level of $1,500,000 in operating cash except during the construction of two planned new phases The letter of credit expires on November 17, 2015 The letter of credit also requires a minimum debt service coverage of 1 2 times the annual debt service

An Intercreditor Agreement, dated November 8, 2000, was executed by all parties to the financing (the Trustee, the Bank, and the Issuer) The intercreditor agreement provided for the sharing of collateral which is made up of real and personal property, leases, rental and resident entrance fees of Beverwyck and describes the procedures to be followed by the lenders in the event of default by Beverwyck

As of December 31, 2012, utilizing the proceeds from resident entrance fees, unused bond proceeds, and operations, principal payments amounting to $18,240,000 have been made on the bonds since November 1995

Hawthorne Ridge
In October 2005, the Rensselaer County Industrial Development Agency (Issuer) issued $15,250,000 of tax-exempt Hawthorne Ridge Project Civic Facility Revenue Bonds, Series 2005 on behalf of Hawthorne Ridge to develop and construct a retirement community, fund a debt service reserve account and pay for the costs of issuance The Series 2005 Bonds were issued pursuant to the terms of a Trust Indenture by and between the Issuer and The Bank of New York, as trustee (Trustee), dated as of October 2005 (the Indenture) The Series 2005 Bonds are special obligations of the Issuer payable solely from and secured by a pledge of payments to be made under an Installment Sale Agreement, dated October 2005, between Hawthorne Ridge and the Issuer Hawthorne Ridge issued a note to the Trustee pursuant to the Trust Indenture The note is secured by a pledge of and lien on the gross receipts of Hawthorne Ridge and a security interest in Hawthorne Ridge's real and personal property

In accordance with the terms and conditions set forth in the Indenture, the Bonds bear interest at weekly rates (average interest rates for 2012 was 0 17%) The weekly rate is established by the remarketing agent at a level that causes the Bonds to have a market value equal to face value plus accrued interest on the rate adjustment date applicable to the interest period The maximum rate of interest which the Bonds may bear during any interest period shall be the lesser of 10% per annum or such other maximum rate permitted by law The interest rate for all of the Bonds may be converted to a fixed rate at the option of Hawthorne Ridge on any interest payment date in accordance with the Indenture Interest payments are funded monthly to a debt service fund held by a trustee and payable semi-annually to bondholders The Bonds require annual sinking fund payments through October 2035 Bonds may be redeemed at face value at intervals outlined in the Indenture, starting in 2010 and continuing so long as the variable interest rate option is maintained, or, at face value plus redemption premiums should the interest rate be converted to a fixed rate To date, Hawthorne Ridge has not elected to convert to a fixed interest rate

In accordance with the Indenture and related Reimbursement Agreement, Hawthorne Ridge maintains a direct pay, irrevocable letter of credit with a bank to ensure the payment of the interest and bond principal amounts The amount available under this letter of credit as of December 31, 2012 is $8,685,000 The letter of credit fee (0 60% at December 31, 2012) varies based on compliance with certain financial covenants The letter of credit expires in October 2015 The covenants include a debt service coverage of 1 15 times the annual debt service

An Intercreditor agreement, dated October 2005, was executed by all parties to the financing (the Trustee, the Bank, and the Issuer) The intercreditor agreement provided for the sharing of collateral which is made up of real and personal property, leases, rental, and resident entrance fees of Hawthorne Ridge and describes the procedures to be followed by the lenders in the event of default by Hawthorne Ridge

As of December 31, 2012 utilizing the proceeds from resident entrance fees, unused bonds proceeds, and operations, principal payments amounting to $6,685,000 have been made on the bonds

In December 2008, Hawthorne Ridge entered into an interest rate swap agreement with a counterparty whereby Hawthorne Ridge pays a fixed rate of 3 4% and receives a variable rate of interest based upon the Municipal Swap Index (SIFMA Index), based upon a notional amount of $8,000,000 Hawthorne Ridge entered into the swap for the purpose of hedging variability in cash flows associated with interest payments on long-term debt The interest rate swap agreement matures on November 30, 2013 At December 31, 2012 the interest rate swap had a negative fair value of approximately $219,000 and is recorded in other liabilities in the consolidated balance sheet

Mortgages Payable

Glen Eddy

In May, 2009, Glen Eddy entered into a $5,000,000 mortgage loan with a local bank and a $3,800,000 intercompany loan with Beverwyck The mortgage loan was paid off during 2012, through an additional intercompany loan with Beverwyck The total intercompany loan was $7,500,000 The annual interest rate is 1 38% and has been eliminated in the consolidated financial statements

East Greenbush Imaging

In 2006, Memorial entered into a loan agreement for approximately $5,800,000 with a Bank in order to finance leasehold improvements and equipment purchases related to a new outpatient imaging center The Bank is the holder of Series 2006A taxable bonds issued by the Rensselaer County Industrial Development Agency Memorial is required, under the loan agreement, to pay amounts necessary for the debt service of the Bonds commencing in March 2007 The Series 2006A bonds were converted to a tax exempt status on January 30, 2007 The interest rate on the bonds was floating until February 1, 2007 at which time they converted to a fixed rate of 4 391% The loan is collateralized by a first priority interest in the leasehold improvements to the imaging center and a first lien on the equipment purchased for the imaging center In addition, the loan agreement contains certain restrictive covenants, including a debt service coverage requirement of 1 2 times the annual debt service The balance outstanding at December 31, 2012 was $897,000.

Emergency Department

In June 2006, Memorial entered into a loan agreement for $9,000,000 with a Bank in order to finance renovations to the Hospital The Bank is the holder of $5,000,000 of Series 2006A tax exempt bonds and $4,000,000 of Series 2006B taxable bonds issued by the Albany County Industrial Development Agency Memorial is required, under the loan agreement, to pay amounts necessary for the debt service of the Bonds commencing in August 2007 The Series 2006B bonds converted to a tax exempt status on January 30, 2007 The interest rate on the bonds was floating until August 1, 2007 at which time they converted to a fixed rate of 4 36% The loan is collateralized by a second priority interest in the gross receipts and all furniture, fixtures and equipment of Memorial Hospital as well as a second mortgage on Memorial's real property In addition, the loan agreement contains certain restrictive covenants, including a debt service coverage requirement of 1 2 times the annual debt service The balance outstanding at December 31, 2012 was $3,852,000

The accompanying notes are an integral part of the consolidated financial statements

SPNRC has a HUD insured mortgage at a rate of 5 64%, payable through January 2027 with property and equipment pledged as collateral The outstanding balance at December 31, 2012 was $5,057,000

Our Lady has a HUD insured mortgage at a rate of 5 56%, payable through January 2024 with property and equipment pledged as collateral The outstanding balance at December 31, 2012 was $6,303,000

Under the HUD mortgage loan agreements, Our Lady and SPNRC are required to maintain certain debt service reserves, which are included in marketable securities whose use is limited in the consolidated financial statements

Notes Payable and Lines of Credit
SPH has a commercial loan bearing interest at an adjusted LIBOR rate calculated in accordance with the agreement (2 2% for 2012) payable through January 1, 2022 with property and equipment pledged as collateral

Seton had an intercompany debt with CHE issued October 1, 2011 through a line of credit which was paid in full on December 14, 2012

Seton refinanced the CHE line of credit with a note payable from PNC Bank N A on December 14, 2012 The interest rate is LIBOR plus 115 basis points (1 15%) with a maturity date of December 14, 2013 The outstanding balance at December 31, 2012 was 42,298,000

The Hospice has an available line of credit at a local bank totaling $2,500,000 No borrowings against the line of credit were outstanding at December 31, 2012

10. Temporarily and Permanently Restricted Net Assets and Related Endowments

Temporarily restricted net assets are those whose use by the Company has been limited by donors to a specific time period or purpose Temporarily restricted net assets are available for the following purposes at December 31

(in thousands of dollars)

	2012
Services for elderly care	$26,835
Building and equipment	8,573
Patient care	5,418
Other	632
Education and research	1,092
Total	$42,550

The accompanying notes are an integral part of the consolidated financial statements

Permanently restricted net assets are those whose use by the Company has been limited by donors to be maintained in perpetuity Permanently restricted net assets at December 31 are restricted as follows

(in thousands of dollars)

	2012
Services for elderly care	$12,420
Other	4,763
Patient care	9,221
Education and research	513
Total	$26,917

In September 2010, New York State enacted its version of the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") The Company has interpreted UPMIFA as requiring the preservation of the value of the original gift of the donor-restricted endowment funds absent explicit donor stipulations to the contrary As a result of this interpretation, the Company classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts donated to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund The remaining portion of the donor-restricted endowment that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Company in a manner consistent with the standard of prudence prescribed by UPMIFA

The Company considers the following factors in determining if donor-restricted endowment funds are accumulated or appropriated

1) the duration and preservation of the fund
2) the purposes of the Company's donor-restricted endowment funds
3) general economic conditions
4) effect of possible inflation or deflation
5) the expected total investment return and appreciation of investments
6) other resources of the Company
7) investment policies of the Company

The Company's permanently restricted net assets consist of individual endowment accounts Unless otherwise directed by the donor, gifts received for endowments are invested in accordance with the Company's investment policy Unless otherwise directed by the donor, the Company annually appropriates a certain percentage of each endowment fund, which is then available for spending in accordance with the donor's intent In order to preserve the real value of a donor's gift and to sustain funding consistent with donor intent, the annual appropriation rate is set to strike a reasonable balance between long-term objectives of preserving and growing each endowment fund for the future and providing stable, annual appropriations

The accompanying notes are an integral part of the consolidated financial statements

The composition of endowment fund net assets, by type of fund, at December 31, 2012 are as follows

(in thousands of dollars)

	2012			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	$ -	$25,654	$26,917	$52,571
Board-designated endowment funds	7,518	-	-	7,518
Total endowment funds	$7,518	$25,654	$26,917	$60,089

Changes in the composition of endowment fund net assets, by type of fund, as of December 31, 2012 are as follows

(in thousands of dollars)

	2012			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment fund net assets, beginning of year	$7,323	$23,218	$25,308	$55,849
Investment return				
Realized gains	211	537	196	944
Unrealized gains	151	4,080	298	4,529
Total investment return	362	4,617	494	5,473
Other changes in endowment funds	(167)	(2,181)	1,115	(1,233)
Endowment fund net assets, end of year	$7,518	$25,654	$26,917	$60,089

11. Insurance

Professional and general liability risk is insured through a wholly owned captive insurance company of CHE, commercial insurance and reinsurance companies, and self-insured programs Excess insurance over self-insured amounts and coverage provided by the captive has been purchased from the commercial insurance and reinsurance markets The excess professional liability coverage is provided on a claims-made basis There are known claims and incidents that may result in the assertion of additional claims, as well as claims from unknown incidents that may be asserted arising from services provided to patients CHE has employed independent actuaries to estimate the ultimate costs, if any, of the settlement of such claims Accrued malpractice losses have been discounted at 4% and in management's opinion provide an adequate reserve for loss contingencies

The Company participates in a self-insurance program for workers' compensation claims which is administered and maintained by CHE Losses from asserted claims and from unasserted claims identified under the Company's incident reporting systems are accrued based on estimates that incorporate the Company's experience, relevant trends, and other factors CHE has employed independent actuaries to estimate the ultimate costs, if any, of the settlement of such claims Accrued worker's compensation losses have been discounted at 4% and in management's opinion provide an adequate reserve for loss contingencies

The accompanying notes are an integral part of the consolidated financial statements

Bank-administered trust and other accounts have been established by CHE for the purpose of segregating assets These trusts are funded based on actuarial estimates and can only be used for payment of malpractice losses, related expenses, and administrative costs of the trusts

NEH maintains two self-insured workers' compensation plans (the "Plans") outside of the CHE Program, a group plan and an individual plan Worker's compensation expense is based on estimates developed by the Plan's management and consulting actuary of asserted and currently identifiable unasserted claims, if any, and a provision for unknown incidents All administrative costs of the program are shared by the participants Effective January 1, 2011, the group plan was placed in "runoff status" which effectively freezes the Plan and all incidents occurring after December 31, 2010 are not liability of the group plan Effective January 1, 2012 the individual self-insurance plan was placed on "runoff status", which effectively freezes the individual plan, and all incidents occurring after December 31, 2011 are not a liability of the individual self insurance plan At this date, the frozen plan was replaced by the CHE administered plan

Total amounts accrued under these programs as current liabilities approximate $1,860,000 at December 31, 2012 Total amounts accrued under these programs as long-term liabilities approximate $44,505,000 at December 31, 2012 Amounts recognized as insurance receivables related to the claims approximate $21,835,000 at December 31, 2012 and are included in other assets in the consolidated balance sheet Insurance recoveries are measured on the same basis as the liability subject to the need for a valuation allowance for uncollectible amounts

The total amount charged to expense for insurance was $14,731,000 in 2012

12. Pension

SPHCS sponsors a cash balance pension plan This plan is offered to all benefit eligible employees The cash balance plan is wholly funded by the Company

NEH sponsors a noncontributory defined benefit pension plan (the "NEH Plan") covering substantially all full-time employees of NEH and its affiliates The defined benefit plan includes a cash balance component and requires the entities to contribute 2% of eligible employee salaries to the plan Employees are eligible to participate in the plan after one year of service and are fully vested in the plan after three years The Plan's policy is to fund pension costs accrued

In January 2012, the Board of Trustees passed a resolution to freeze the SPHCS cash balance pension plan and NEH's non contributory defined benefit pension plan, effective June 30, 2012 in anticipation of replacing it with a CHE-sponsored defined contribution plan As a result of the freeze, curtailments of $3,285,000 offset losses of $3,090,000 and a one-time curtailment credit of $195,000 was recognized in 2012 The plan freeze's also resulted in a decrease to the projected benefit obligations of $3,285,000 due to the plan curtailment's

Effective July 1, 2012 the Company began participation in the CHE-sponsored defined contribution plan This plan is offered to all benefit eligible employees The plan provides a 2% annual core contribution of eligible compensation for employees working at least 1,000 hours per year and a matching contribution of 2% to 3% of compensation based on an employee's years of service Vesting at 100% occurs at 3 or more years of service Expense was $7,984,800 for 2012 which included both core and matching contributions

The following table sets forth the change in benefit obligation and the change in fair value of plan assets for SPHCS (cash balance) and NEH (defined benefit) based on the measurement date, and the amounts recognized in the consolidated financial statements at December 31

(in thousands of dollars)	**2012**
Change in benefit obligation:	
Benefit obligation, beginning of year	$208,190
Service cost	4,799
Interest cost	9,344
Actuarial gain	10,608
Gross benefits paid	(12,463)
Curtailments	(3,285)
Benefit obligation, end of year	217,193
Accumulated benefit obligation, end of year	217,193
Change in plan assets:	
Fair value of plan assets, beginning of year	168,342
Actuarial return on plan assets	18,605
Employer contributions	12,582
Gross benefits paid	(12,463)
Assets transferred	-
Fair value of plan assets, end of year	187,066
Funded status (included in other liabilities)	
Fair value of plan assets	187,066
Projection benefit obligation	(217,193)
Funded status	(30,127)
Amount recognized, end of year	$30,127
Amounts recognized in unrestricted net assets	
Net actuarial loss	$43,682
Prior service cost	(23,303)
Total	$20,379

The accompanying notes are an integral part of the consolidated financial statements

The following table sets forth the components of net periodic benefit cost for the plans for the years ended December 31

(in thousands of dollars)	**2012**
Components of net periodic benefit cost:	
Service cost and expense	$4,799
Interest cost	9,344
Expected return on plan assets	(13,113)
Amortization of prior service cost	(4,144)
Amortization of actuarial gain	818
Curtailment	(194)
Net periodic benefit cost	($2,490)

The net actuarial loss and prior service credit that will be amortized from unrestricted net assets in the net periodic benefit cost in 2013 approximately $3,428,000

The assumptions used to determine the benefit obligation and periodic benefit cost at December 31 are as follows

	2012
Assumptions used to determine the benefit obligation at December 31:	
Weighted average discount rate	3 85% to 4 00%
Weighted average rate of compensation increases	n/a
Assumptions used to determine periodic benefit cost at December 31:	
Weighted average discount rate	4 55% to 4 60%
Weighted average rate of compensation increases	3 75% to 4 25%
Weighted average expected long-term rate of return on plan assets	7 50% to 8 00%

Investment Policy and Asset Allocations – SPHCS is included in a pension plan investment program managed by CHE In developing the assumption for the expected long term rate of return on plan assets, CHE evaluates historical returns, the level of expected returns on risk-free investments (primarily government bonds), the historical level of the risk premium associated with the other asset classes in which the portfolio is invested, and the expectations for future returns of each asset class The expected rate of return for each asset class is then weighted based on the target asset allocation to develop the assumption for the expected long-term rate of return on assets This methodology was utilized to develop the long-term rate of return assumptions at December 31, 2012

The expected long-term rate-of-return on the NEH Plan assets reflects long-term earnings expectations on existing plan assets and those contributions expected to be received during the current plan year Consideration is given to historical returns earned by NEH Plan assets in the fund and the rates of return expected to be available for reinvestment Rates of return are adjusted to reflect current capital market assumptions and changes in investment allocations

The weighted average asset allocations for the plan at December 31 and the target allocation for the calendar year 2012, by asset category, are as follows

	Target 2013	2012
Asset Category		
Cash and marketable debt securities	10 0% - 57 5%	47 8%
Marketable equity securities and managed funds	42 5% - 90 0%	52 2%
Total	100 0%	100 0%

SPHCS Plan

The portfolio is diversified among a mix of assets including large and small cap, domestic and foreign equities, fixed income, alternative investments, and cash Asset mix is targeted to a specific allocation, either intermediate or long-term, that is established by evaluating expected return, standard deviation, and correlation of various assets against the plan's long-term objectives Asset performance is monitored quarterly and rebalanced if asset classes exceed explicit ranges The investment policy governs permitted types of investments, and outlines specific benchmarks and performance percentiles The Investment Subcommittee of the Stewardship Committee of the CHE Board oversees the pension investment program and monitors investment performance Risk is closely monitored through the evaluation of portfolio holdings and tracking the beta and standard deviation of the portfolio performance The use of derivative financial instruments as an investment vehicle is specifically limited

NEH Plan

The investment strategy for the Plan is to utilize broadly diversified passive vehicles where appropriate, with an investment mix and risk profile consistent with pension liabilities Periodic studies are undertaken to determine the asset mix that will meet pension obligations at a reasonable cost to the Plan and are consistent with the fiduciary requirements of pension regulations

The following table presents the Plans' financial instruments as of December 31, measured at fair value on a recurring basis using the fair value hierarchy defined in Note 5

(in thousands of dollars)	2012				
	Level 1	Level 2	Level 3	Total	Valuation Technique
CHE Pension investment program					
Cash and cash equivalents	$4,009	$871	$ -	$4,880	Market
Marketable equity securities	32,768	38,937	-	71,705	Market
Marketable debt securities	4,216	10,406	-	14,622	Market
Managed funds	-	-	8,019	8,019	Market
	40,993	50,214	8,019	99,226	
NEH Pension investment program					
Cash and cash equivalents	69,967	-	-	69,967	Market
Marketable equity securities	-	-	-	-	Market
Marketable debt securities	-	-	-	-	Market
Managed funds	-	17,873	-	17,873	Market
	69,967	17,873	-	87,840	
Total	$110,960	$68,087	$8,019	$187,066	

The table below sets forth a summary of changes in the fair value of the Level 3 assets for the plans' for the period from January 1, 2012 to December 31, 2012

(in thousands of dollars)	Managed Funds 2012
Fair value January 1	$11,768
Purchases	2,231
Realized gains	289
Unrealized gains	157
Transfers in	(440)
Transfers out	(3,169)
Sales	(2,817)
Fair value December 31	$8,019
Amount of unrealized gains related to Level 3 investments held at December 31	$157

There were no transfers in or out of levels 1 and 2 for the year ended December 31, 2012

The accompanying notes are an integral part of the consolidated financial statements

Contributions- Expected contributions to the plans in 2013 are approximately $6,000,000

Estimated Future Benefit Payments
The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid as follows

(in thousands of dollars)

2013	$10,016
2014	10,435
2015	10,750
2016	11,140
2017	11,913
2018-2022	64,402
	$118,656

Seton Multi-Employer Plan
Seton participated in the Ascension Health Pension Plan, (the "Ascension Plan"), a noncontributory defined benefit pension plan sponsored by Ascension Health Alliance Benefits are based on each participant's years of service and compensation The Ascension Plan's assets are invested in the Ascension Health Master Pension Trust (the Trust), a master trust consisting of cash and cash equivalents, equity, fixed income funds and alternative investments The Trust also invests in derivative instruments, the purpose of which is to economically hedge the change in the net funded status of the Ascension Plan for a significant portion of the total pension liability that can occur due to changes in interest rates

Ascension Health is obligated to pay the benefits to the eligible employees There is no obligation from Seton Health for payment of this benefit

13. Concentration of Credit Risk

The Company grants credit without collateral to its patients, most of whom are insured under third-party payor agreements The mix of receivables from patients and third-party payors at December 31 are as follows

	2012
Health maintenance organizations	28%
Medicare	22%
Other third-party payors	8%
Commercial	24%
Medicaid	8%
Self-pay	10%
	100%

In addition, the Company invests their cash and cash equivalents primarily with banks and financial institutions These deposits may be in excess of federally insured limits The Company believes that the credit risk related to these deposits is minimal

The accompanying notes are an integral part of the consolidated financial statements

14. Commitments and Contingencies

Liability claims have been asserted against the Company by various claimants These claims are in various stages of processing or are in litigation In addition, there are known incidents, and there also may be unknown incidents, which may result in the assertion of additional claims Based upon information, reports and analyses provided by attorneys and insurance carriers, management does not expect that the effects of these claims will have a significant impact on the Company's financial statements

15. Operating Leases

The Company leases certain property and equipment under cancelable and non-cancelable operating leases Rental expense was approximately $12,704,000 in 2012

Future minimum lease payments for all noncancellable leases as of December 31, 2012 are as follows

(in thousands of dollars)

2013	$8,991
2014	6,617
2015	5,193
2016	3,546
2017	3,230
Thereafter	11,988
	$39,565

16. Functional Expenses

The Company provides general health care services within its geographic locations, including acute care, long-term substance abuse and Hospice care Expenses related to providing these services are as follows for the years ended December 31

(in thousands of dollars)

	2012
Health care services	$850,136
General and administrative	182,263
Fundraising	2,835
Daycare	3,139
Total	$1,038,373

The accompanying notes are an integral part of the consolidated financial statements

17. Affiliates and Related Party Transactions

CHE was incorporated as a Pennsylvania nonprofit corporation on October 1, 1997 CHE is a catholic, multi-facility health system sponsored by fifteen religious congregations and Hope Ministries Each sponsoring congregation appoints a representative to the Sponsors Council which maintains certain reserve powers, including the election of the CHE Board of Directors CHE serves to carry out the health care ministries of the sponsoring congregations The mission of CHE is to be a community of persons committed to being a transforming, healing presence within the communities it serves

The consolidated financial statements of CHE include activities of its RHCs and related component corporations all of which are wholly or majority owned These RHCs are located throughout eleven states and the healthcare activities provided by these RHCs include, but are not limited to, general acute care hospitals, long-term care facilities, skilled nursing facilities, behavioral health, residential facilities for the elderly, physician services, home health, outpatient surgery, and other services

The Company's portion of the costs allocated by CHE was approximately $6,282,000 for the year ended December 31, 2012 These allocations are included as professional fees, purchased services and other expenses in the accompanying consolidated statements of operations and changes in net assets

Pledges receivable from related parties, principally trustees of the Company, before discounts and allowances were approximately $758,000 at December 31, 2012

On December 31, 2012 the Company joined with six physician practices and four ongoing medical services businesses to form St Peter's Health Partners Medical Associates, P C ("SPHPMA") The transaction was recorded as an acquisition and was primarily funded by SPH

SPHPMA, a non-profit, physician governed, multi-specialty group will function as a full affiliate corporation of SPHP

The acquisition provides a new model of physician practice that permits SPHP to evolve as a system with strong physician participation, improved patient coordination of care and improved delivery of care to the community The total consideration transferred for the acquisition was $17,200,000

The fair value of assets acquired, liabilities assumed at the acquisition date were as follows

(in thousands of dollars)	Total	SPHP	SPHPMA	AMH
Assets				
Other Receivables	$4,563	$306	$4,257	$ -
Property, plant and equipment	9,983	2,834	7,130	19
Goodwill	1,697	414	1,283	-
Other intangible assets	936	238	698	-
Other assets	21	-	21	-
Total assets acquired	$17,200	$3,792	$13,389	$19
Liabilities and net assets				
Liabilities				
Other liabilities	$789	$ -	$789	$ -
Total liabilities assumed	789	-	789	-
Net Assets				
Unrestricted	16,411	3,792	12,600	19
Total liabilities and net assets	$17,200	$3,792	$13,389	$19

SPHPMA is a not-for-profit membership corporation formed under New York State law and exempt from federal income taxes under Section 501 C (3) of the Internal Revenue Code

18. Burdett Care Center

With the creation of St Peter's Health Partners, Samaritan Hospital agreed to cease performing procedures that are prohibited under the ethical religious directives which includes certain reproductive services Burdett Care Center, Inc ("Burdett Care Center" or "BCC") was formed to preserve the availability of certain reproductive services for women in its service area along with the provision of maternity services Burdett Care Center commenced operations on October 1, 2011 and is physically located on the second floor of Samaritan Hospital

BCC is a not-for-profit hospital licensed to operate under NYS Public Health Law Article 28 BCC purpose is to provide reproductive-related inpatient and outpatient services, other than abortion, including maternity, labor, delivery and nursery services and male and female contraceptive or sterilization services BCC has filed an application with the Internal revenue Service to be classified for tax purposes as an organization under 501(c)(3) of the Internal revenue Code (the Code) and as such would be generally exempt from income taxes under the provision of Section 501(a) of the Code

BCC and Samaritan Hospital have entered into a Master Services Agreement whereby Samaritan will provide a broad range of certain clinical and administrative services to BCC at cost The initial term of the agreement is for two years At the end of the initial term, the agreement will renew for four additional two year terms, with certain termination provisions

The accompanying notes are an integral part of the consolidated financial statements

19. Subsequent Events

The Company evaluated the impact of subsequent events through May 20, 2013, representing the date at which the consolidated financial statements were issued

On May 1, 2013, CHE and Trinity Health entered into a definitive Consolidation Agreement under which CHE and Trinity Health consolidated into a new non-profit corporation, CHE Trinity Inc

Supplemental Information

St. Peter's Health Partners
Supplemental Schedule of Social Accountability (Unaudited)
December 31, 2012

In keeping with the mission and purpose of the Company, to provide the highest quality comprehensive continuum of integrated health care, supportive housing and community services especially for the needy and vulnerable, the Company strives to maximize the provision of services in its community and in collaboration with other organizations A portion of the Company's overall operating expense relates to costs incurred in providing and meeting certain community needs for which the Company is not directly compensated

A standard reporting and accountability process is utilized throughout the Company to estimate the net cost of these services, referred to as Social Accountability Costs, which provides a basis of accountability and reporting to the community served for purposes of disclosing the utilization of resources Costs reported are net of contributions or grants that have been provided to the Company and designated for these purposes

The information presented below has been calculated and is presented in accordance with the Catholic Health Association's ***A Guide for Planning and Reporting Community Benefits***, Copyright 2008 Social accountability costs for the years ended December 31 are as follows

(in thousands of dollars)	**2012**
Cost of care of the poor	$8,940
Cost of community benefit programs	3,692
Other public programs	5,742
Unpaid cost of Medicaid programs	28,330
Social accountability costs	$46,704
Unpaid cost of Medicare programs	$7,945

The cost of care of the poor is based on the Company's estimated net cost of providing services to those unable to pay The cost of the community benefit programs reflects the costs to develop and provide programs that are developed and provided to meet special community needs that would not otherwise be available The difference between amounts reimbursed to the Company under the Medicaid program and the estimated cost of providing care for this program is reflected as an unpaid cost of the program

The accompanying notes are an integral part of the consolidated financial statements

St. Peter's Health Partners
Consolidating Balance Sheet
December 31, 2012

(in thousands of dollars)	St. Peter's Health Partners	St. Peter's Health Care Services, Inc.	Northeast Health	Seton Health	St. Peter's Health Partners Medical Associates	St. Peter's Health Partners Corporate	St. Peter's Health Partners Eliminations
Assets							
Current assets							
Cash and cash equivalents	$89,187	$25,533	$51,502	$12,152	$ -	$ -	$ -
Investments	149,121	34,666	69,666	44,789	-	-	-
Marketable securities whose use is limited	251	-	2	249	-	-	-
Patient accounts receivable, less allowance for doubtful accounts of $57,383 for 2012	95,496	51,892	33,186	10,624	-	-	(206)
Other accounts receivable	22,677	6,880	11,309	1,608	4,257	1,907	(3,284)
Prepaid expenses and inventories	16,870	7,892	6,584	2,373	21	-	-
Total current assets	373,602	126,863	172,249	71,795	4,278	1,907	(3,490)
Marketable securities and investments whose use is limited							
Board-designated funds	152,589	66,085	58,590	27,914	-	-	-
Trustee-held funds	38,568	35,807	2,761	-	-	-	-
Donor-restricted funds	52,869	9,185	40,701	2,983	-	-	-
Investments	27,799	25,513	2,072	214	-	-	-
Total marketable securities and investments whose use is limited	271,825	136,590	104,124	31,111	-	-	-
Property and equipment, net	675,020	363,490	185,291	27,927	7,130	91,182	-
Goodwill	1,697	-	-	-	1,283	414	-
Investment in unconsolidated organization	1,057	1,057	-	-	-	-	-
Posted collateral on interest rate swaps	474	-	474	-	-	-	-
Other assets	49,128	27,022	17,720	5,837	698	(2,149)	-
Total assets	$1,372,803	$655,022	$479,858	$136,670	$13,389	$91,354	($3,490)

See accompanying Independent Auditor's Report

St. Peter's Health Partners
Consolidating Balance Sheet, continued
December 31, 2012

(in thousands of dollars)	St. Peter's Health Partners	St. Peter's Health Care Services, Inc.	Northeast Health	Seton Health	St. Peter's Health Partners Medical Associates	St. Peter's Health Partners Corporate	St. Peter's Health Partners Eliminations
Liabilities and Net Assets							
Current liabilities							
Current portion of long-term debt	$55,076	$8,770	$4,008	$42,298	$ -	$ -	$ -
Accounts payable and accrued expenses	97,402	49,085	36,738	11,839	888	103	(1,251)
Estimated third-party payables	25,558	12,318	6,979	6,261	-	-	-
Other current liabilities	20,110	6,040	11,689	2,150	127	2,343	(2,239)
Total current liabilities	198,146	76,213	59,414	62,548	1,015	2,446	(3,490)
Long-term debt, net	300,788	247,159	53,629	-	-	-	-
Other liabilities	23,396	9,292	9,553	4,551	-	-	-
Pension liabilities	33,623	(555)	33,514	664	-	-	-
Insurance liabilities	44,505	26,976	13,181	4,348	-	-	-
Refundable entrance fees and unearned entrance fees	48,673	-	48,673	-	-	-	-
Total liabilities	649,131	359,085	217,964	72,111	1,015	2,446	(3,490)
Net assets							
Unrestricted	654,205	282,657	208,949	61,317	12,374	88,908	-
Temporarily restricted	42,550	6,167	33,662	2,721	-	-	-
Permanently restricted	26,917	7,113	19,283	521	-	-	-
Total net assets	723,672	295,937	261,894	64,559	12,374	88,908	-
Total liabilities and net assets	$1,372,803	$655,022	$479,858	$136,670	$13,389	$91,354	($3,490)

See accompanying Independent Auditor's Report

St. Peter's Health Partners
Consolidating Statement of Operations and Changes in Net Assets
Year Ended December 31, 2012

(in thousands of dollars)

	St. Peter's Health Partners	St. Peter's Health Care Services, Inc.	Northeast Health	Seton Health	St. Peter's Health Partners Medical Associates	St. Peter's Health Partners Corporate	St. Peter's Health Partners Eliminations
Unrestricted revenue, gains and other support							
Net patient service revenue	$993,750	$519,137	$348,017	$130,146	$ -	$ -	($3,550)
Other operating revenue	69,578	21,107	46,647	1,881	-	-	(57)
Unrestricted contributions	4,249	2,258	1,616	375	-	-	-
Net assets released from restrictions used for operations	2,050	1,183	632	235	-	-	-
Total unrestricted revenues, gains and other support	1,069,627	543,685	396,912	132,637	-	-	(3,607)
Expenses							
Salaries, wages and benefits	568,005	254,632	231,337	81,327	709	-	-
Medical supplies	158,326	102,591	42,504	13,471	-	(240)	-
Purchased services, professional fees and other expenses	216,380	113,000	73,700	31,896	307	1,085	(3,608)
Depreciation and amortization	61,851	30,929	23,170	2,802	-	4,950	-
Interest	16,474	13,133	2,683	658	-	-	-
Insurance	14,731	4,743	8,212	1,776	-	-	-
Restructuring costs	2,606	870	692	1,044	-	-	-
Total operating expenses	1,038,373	519,898	382,298	132,974	1,016	5,795	(3,608)
Operating income (loss)	31,254	23,787	14,614	(337)	(1,016)	(5,795)	1
Non-operating gains (losses)							
Investment returns, net	23,225	6,716	10,078	6,431	-	-	-
Other (losses) gains	(627)	42	(547)	(12)	-	(110)	-
Change in fair value of interest rate swaps	(415)	300	(715)	-	-	-	-
Total non-operating gains (losses)	22,183	7,058	8,816	6,419	-	(110)	-
Excess (deficit) of revenues over expenses	$53,437	$30,845	$23,430	$6,082	($1,016)	($5,905)	$1

See accompanying Independent Auditor's Report

St. Peter's Health Partners
Consolidating Statement of Operations and Changes in Net Assets, continued
Year Ended December 31, 2012

(in thousands of dollars)

	St. Peter's Health Partners	St. Peter's Health Care Services, Inc.	Northeast Health	Seton Health	St. Peter's Health Partners Medical Associates	St. Peter's Health Partners Corporate	St. Peter's Health Partners Eliminations
Unrestricted net assets							
Excess (deficit) of revenues over expenses	$53,437	$30,845	$23,430	$6,082	($1,016)	($5,905)	$1
Pension related change other than net periodic pension cost	1,312	171	(5,287)	6,428	-	-	-
Net assets released from restrictions used for capital purchases	1,793	1,353	395	45	-	-	-
Other	285	(18,015)	1,183	(66)	13,390	3,792	1
Increase (decrease) in unrestricted net assets	56,827	14,354	19,721	12,489	12,374	(2,113)	2
Temporarily restricted net assets							
Contributions	4,081	2,391	1,620	70	-	-	-
Investment income	713	174	539	-	-	-	-
Unrealized gains on investments	4,080	-	4,080	-	-	-	-
Net assets released from restrictions used for capital purchases	(1,793)	(1,353)	(395)	(45)	-	-	-
Net assets released from restrictions used for operations	(2,050)	(1,183)	(632)	(235)			
Other changes	(2,337)	(19)	(2,286)	(32)	-	-	-
Increase (decrease) in temporarily restricted net assets	2,694	10	2,926	(242)	-	-	-
Permanently restricted net assets							
Contributions	12	-	12	-	-	-	-
Net realized and unrealized gains on investments	494	501	(8)	-	-	-	1
Interest and dividends	12	-	12	-	-	-	-
Other changes	1,091	-	1,092	-	-	-	(1)
Increase in permanently restricted net assets	1,609	501	1,108	-	-	-	-
Increase in net assets	61,130	14,865	23,755	12,247	12,374	(2,113)	2
Net assets							
Beginning of year	662,542	281,072	238,139	52,312	-	91,021	(2)
End of year	$723,672	$295,937	$261,894	$64,559	$12,374	$88,908	$0

See accompanying Independent Auditor's Report

St. Peter's Health Care Services, Inc.
Consolidating Balance Sheet
December 31, 2012

(in thousands of dollars)	St. Peter's Health Care Services, Inc.	St. Peter's Health Care Corporation	St Peter's Nursing and Rehab Center	St. Peter's Hospital	Community Hospice and Affiliate	Our Lady Of Mercy Life Center	St. Peter's Hospital Foundation	Mercy Cares For Kids, Inc.	St. Peter's Auxiliary	Warde Services Corporation	SPHCS Corporate Eliminations
Assets											
Current assets											
Cash and cash equivalents	$25,533	$1,079	$3,742	$10,749	$6,364	$2,388	$315	$704	$190	$2	$ -
Investments	34,666	1,234	-	32,423	-	-	1,009	-	-	-	-
Patient accounts receivable, less allowance for doubtful accounts of $24,585 for 2012	51,892	-	1,211	45,527	3,953	1,201	-	-	-	-	-
Other accounts receivable	6,880	184	1,117	1,020	3,138	942	1,107	13	(1)	-	(640)
Prepaid expenses and inventories	7,892	98	40	7,559	50	85	9	-	51	-	-
Total current assets	126,863	2,595	6,110	97,278	13,505	4,616	2,440	717	240	2	(640)
Marketable securities and investments whose use is limited											
Board-designated funds	66,085	-	3,426	35,407	-	727	26,525	-	-	-	-
Trustee-held funds	35,807	-	6,487	25,674	-	3,646	-	-	-	-	-
Donor-restricted funds	9,185	-	-	7,136	-	-	2,049	-	-	-	-
Investments	25,513	-	-	-	25,513	-	-	-	-	-	-
Total marketable securities and investments whose use is limited	136,590	-	9,913	68,217	25,513	4,373	28,574	-	-	-	-
Property and equipment, net	363,490	7	3,841	346,719	5,658	7,177	26	62	-	-	-
Investment in unconsolidated organization	1,057	-	-	1,057	-	-	-	-	-	-	-
Other assets	27,022	-	-	57,726	-	192	2,564	-	-	-	(33,460)
Total assets	$655,022	$2,602	$19,864	$570,997	$44,676	$16,358	$33,604	$779	$240	$2	($34,100)

See accompanying Independent Auditor's Report

St. Peter's Health Care Services, Inc.
Consolidating Balance Sheet, continued
December 31, 2012

(in thousands of dollars)	St. Peter's Health Care Services, Inc.	St. Peter's Health Care Corporation	St Peter's Nursing and Rehab Center	St. Peter's Hospital	Community Hospice and Affiliate	Our Lady Of Mercy Life Center	St. Peter's Hospital Foundation	Mercy Cares For Kids, Inc.	St. Peter's Auxiliary	Warde Services Corporation	SPHCS Corporate Eliminations
Liabilities and Net Assets											
Current liabilities											
Current portion of long-term debt	$8,770	$ -	$242	$8,109	$ -	$419	$ -	$ -	$ -	$ -	$ -
Accounts payable and accrued expenses	49,085	3,115	844	39,788	4,248	903	74	78	35	-	-
Estimated third-party payables	12,318	-	846	9,090	2,053	329	-	-	-	-	-
Other current liabilities	6,040	339	132	5,327	508	171	27	153	23	-	(640)
Total current liabilities	76,213	3,454	2,064	62,314	6,809	1,822	101	231	58	-	(640)
Long-term debt, net	247,159	-	4,815	236,460	-	5,884	-	-	-	-	-
Other liabilities	9,292	-	-	9,282	10	-	-	-	-	-	-
Pension liabilitites	(555)	(121)	-	(434)	-	-	-	-	-	-	-
Insurance liabilities	26,976	-	1,105	21,936	2,994	941	-	-	-	-	-
Total liabilities	359,085	3,333	7,984	329,558	9,813	8,647	101	231	58	-	(640)
Net assets											
Unrestricted	282,657	(731)	11,880	228,919	34,158	7,711	28,997	548	182	2	(29,009)
Temporarily restricted	6,167	-	-	5,989	123	-	4,506	-	-	-	(4,451)
Permanently restricted	7,113	-	-	6,531	582	-	-	-	-	-	-
Total net assets	295,937	(731)	11,880	241,439	34,863	7,711	33,503	548	182	2	(33,460)
Total liabilities and net assets	$655,022	$2,602	$19,864	$570,997	$44,676	$16,358	$33,604	$779	$240	$2	($34,100)

See accompanying Independent Auditor's Report

St. Peter's Health Care Services, Inc.
Consolidating Statement of Operations and Changes in Net Assets
Year ended December 31, 2012

(in thousands of dollars)

	St. Peter's Health Care Services, Inc.	St. Peter's Health Care Corporation	St Peter's Nursing and Rehab Center	St. Peter's Hospital	Community Hospice and Affiliate	Our Lady Of Mercy Life Center	St. Peter's Hospital Foundation	Mercy Cares For Kids, Inc.	St. Peter's Auxiliary	SPHCS Corporate Eliminations
Unrestricted revenue, gains and other support										
Net patient service revenue	$519,137	$ -	$16,119	$445,698	$41,123	$16,197	$ -	$ -	$ -	$ -
Other operating revenue	21,107	13,546	156	17,741	1,032	93	360	1,822	675	(14,318)
Unrestricted contributions	2,258	-	16	-	1,801	51	388	83	-	(81)
Net assets released from restrictions used for operations	1,183	-	-	520	270	-	2,881	-	-	(2,488)
Total unrestricted revenues, gains and other support	543,685	13,546	16,291	463,959	44,226	16,341	3,629	1,905	675	(16,887)
Expenses										
Salaries, wages and benefits	254,632	4,820	9,606	205,732	23,199	9,472	616	1,297	121	(231)
Medical supplies	102,591	-	676	99,987	1,411	517	-	-	-	-
Purchased services, professional fees and other expenses	113,000	8,371	3,467	92,695	16,938	3,937	422	471	416	(13,717)
Depreciation and amortization	30,929	1	382	29,469	518	528	7	24	-	-
Interest	13,133	4	291	12,449	-	361	28	-	-	-
Insurance	4,743	-	84	4,434	133	92	-	-	-	-
Restructuring costs	870	870	-	-	-	-	-	-	-	-
Total operating expenses	519,898	14,066	14,506	444,766	42,199	14,907	1,073	1,792	537	(13,948)
Operating income (loss)	23,787	(520)	1,785	19,193	2,027	1,434	2,556	113	138	(2,939)
Non-operating gains										
Investment returns, net	6,716	112	33	4,382	1,915	13	257	3	1	-
Other changes	42	-	-	42	-	-	-	-	-	-
Change in fair value of interest rate swaps	300	-	-	300	-	-	-	-	-	-
Total non-operating gains	7,058	112	33	4,724	1,915	13	257	3	1	-
Excess (deficit) of revenues over expenses	$30,845	($408)	$1,818	$23,917	$3,942	$1,447	$2,813	$116	$139	($2,939)

See accompanying Independent Auditor's Report

St. Peter's Health Care Services, Inc.
Consolidating Statement of Operations and Changes in Net Assets, continued
Year Ended December 31, 2012

(in thousands of dollars)

	St. Peter's Health Care Services, Inc.	St. Peter's Health Care Corporation	St Peter's Nursing and Rehab Center	St. Peter's Hospital	Community Hospice and Affiliate	Our Lady Of Mercy Life Center	St. Peter's Hospital Foundation	Mercy Cares For Kids, Inc.	St. Peter's Auxiliary	Warde Services Corporation	SPHCS Corporate Eliminations
Unrestricted net assets											
Excess (deficit) of revenues over expenses	$30,845	($408)	$1,818	$23,917	$3,942	$1,447	$2,813	$116	$139	$ -	($2,939)
Pension related change other than net periodic pension cost	171	-	-	171	-	-	-	-	-	-	-
Net assets released from restrictions used for capital purchases	1,353	-	-	1,344	-	-	1,344	-	-	-	(1,335)
Other	(18,015)	(331)	-	($17,673)	-	-	($2,597)	-	(125)	-	2,711
Increase (decrease) in unrestricted net assets	14,354	(739)	1,818	7,759	3,942	1,447	1,560	116	14	-	(1,563)
Temporarily restricted net assets											
Contributions	2,391	-	-	617	268	-	4,093	-	-	-	(2,587)
Investment income	174	-	-	-	-	-	174	-	-	-	-
Net assets released from restrictions used for capital purchases	(1,353)	-	-	(1,344)	-	-	(1,344)	-	-	-	1,335
Net assets released from restrictions used for operations	(1,183)	-	-	(520)	(270)	-	(2,881)	-	-	-	2,488
Other changes	(19)	-	-	1,274	-	-	(127)	-	-	-	(1,166)
Increase (decrease) in temporarily restricted net assets	10	-	-	27	(2)	-	(85)	-	-	-	70
Permanently restricted net assets											
Net realized and unrealized gains on investments	501	-	-	501	-	-	-	-	-	-	-
Increase in permanently restricted net assets	501	-	-	501	-	-	-	-	-	-	-
Increase (decrease) in net assets	14,865	(739)	1,818	8,287	3,940	1,447	1,475	116	14	-	(1,493)
Net assets											
Beginning of year	281,072	8	10,062	233,152	30,923	6,264	32,028	432	168	2	(31,867)
End of year	$295,937	($731)	$11,880	$241,439	$34,863	$7,711	$33,503	$548	$182	$2	($33,460)

See accompanying Independent Auditor's Report

Northeast Health
Consolidating Balance Sheet
December 31, 2012

(in thousands of dollars)	Northeast Health	Northeast Health (NEHC)	Albany Memorial Hospital (AMHC)	Samaritan Hospital (SAMH)	The Northeast Health Foundation, Inc.	Samaritan Child Care Center, Inc. (SRCC)	Shaker Properties, Inc. (SHAK)	Samaritan Medical Office Building (SMOB)	Eddy Affiliates	Northeast Corporate Eliminations
Assets										
Current assets										
Cash and cash equivalents	$51,502	$1,485	$1,941	$21,229	$174	$253	$9	$8	$26,403	$ -
Investments	69,666	345	5,594	20,094	567	-	-	-	43,066	-
Marketable securities whose use is limited	2	-	-	-	-	-	-	-	2	-
Patient accounts receivable, less allowance for doubtful accounts of $24,372 for 2012	33,186	-	8,314	12,222	-	-	-	-	12,650	-
Other accounts receivable	11,309	3,715	213	6,478	1,600	86	16	20	2,511	(3,330)
Prepaid expenses and inventories	6,584	407	2,301	2,613	15	-	2	-	1,246	-
Total current assets	172,249	5,952	18,363	62,636	2,356	339	27	28	85,878	(3,330)
Marketable securities and investments whose use is limited										
Board-designated funds	58,590	5,309	10,899	32,873	-	-	-	-	9,509	-
Trustee-held funds	2,761	-	-	-	-	-	-	-	2,761	-
Donor-restricted funds	40,701	-	444	405	791	-	-	-	39,061	-
Investments	2,072	-	-	-	2,072	-	-	-	-	-
Total marketable securities and investments whose use is limited	104,124	5,309	11,343	33,278	2,863	-	-	-	51,331	-
Property and equipment, net	185,291	2,994	30,326	37,942	9	13	10	2	113,995	-
Posted collateral on interest rate swaps	474	-	-	-	-	-	-	-	474	-
Other assets	17,720	2,781	945	5,889	-	-	585	1,754	11,268	(5,502)
Total assets	$479,858	$17,036	$60,977	$139,745	$5,228	$352	$622	$1,784	$262,946	($8,832)

See accompanying Independent Auditor's Report

Northeast Health
Consolidating Balance Sheet, continued
December 31, 2012

(in thousands of dollars)	Northeast Health	Northeast Health (NEHC)	Albany Memorial Hospital (AMHC)	Samaritan Hospital (SAMH)	The Northeast Health Foundation, Inc.	Samaritan Child Care Center, Inc. (SRCC)	Shaker Properties, Inc. (SHAK)	Samaritan Medical Office Building (SMOB)	Eddy Affiliates	Northeast Corporate Eliminations
Liabilities and Net Assets										
Current liabilities										
Current portion of long-term debt	$4,008	$ -	$1,962	$146	$ -	$ -	$ -	$ -	$1,900	$ -
Accounts payable and accrued expenses	36,738	4,802	6,032	13,456	319	30	5	2	12,092	-
Estimated third-party payables	6,979	-	3,129	6,923	-	-	-	-	(3,073)	-
Other current liabilities	11,689	50	2,148	2,068	282	187	-	39	6,587	328
Total current liabilities	59,414	4,852	13,271	22,593	601	217	5	41	17,506	328
Long-term debt, net	53,629	-	2,980	104	-	-	-	1,274	50,545	(1,274)
Other liabilities	9,553	1	1,276	2,682	99	-	-	-	5,495	-
Pension liabilities	33,514	1,340	1,935	14,313	65	65	-	-	15,796	-
Insurance liabilities	13,181	10,921	2,116	1,069	-	-	-	-	2,043	(2,968)
Refundable entrance fees and unearned entrance fees	48,673	-	-	-	-	-	-	-	48,673	-
Total liabilities	217,964	17,114	21,578	40,761	765	282	5	1,315	140,058	(3,914)
Net assets										
Unrestricted	208,949	(485)	37,417	94,178	(144)	58	617	469	76,839	0
Temporarily restricted	33,662	407	676	2,821	1,594	12	-	-	30,070	(1,918)
Permanently restricted	19,283	-	1,306	1,985	3,013	-	-	-	15,979	(3,000)
Total net assets	261,894	(78)	39,399	98,984	4,463	70	617	469	122,888	(4,918)
Total liabilities and net assets	$479,858	$17,036	$60,977	$139,745	$5,228	$352	$622	$1,784	$262,946	($8,832)

See accompanying Independent Auditor's Report

Northeast Health
Consolidating Statement of Operations and Changes in Net Assets
Year Ended December 31, 2012

(in thousands of dollars)

	Northeast Health	Northeast Health (NEHC)	Albany Memorial Hospital (AMHC)	Samaritan Hospital (SAMH)	The Northeast Health Foundation, Inc.	Samaritan Child Care Center, Inc. (SRCC)	Shaker Properties, Inc. (SHAK)	Samaritan Medical Office Building (SMOB)	Eddy Affiliates	Northeast Corporate Eliminations
Unrestricted revenue, gains and other support										
Net patient service revenue	$348,017	$ -	$80,936	$125,086	$ -	$ -	$ -	$ -	$142,354	($359)
Other operating revenue	46,647	25,965	3,862	7,440	163	1,468	38	338	31,801	(24,428)
Unrestricted contributions	1,616	33	17	21	13	3	-	-	1,599	(70)
Net assets released from restrictions used for operations	632	5	44	257	569	1	-	-	325	(569)
Total unrestricted revenues, gains and other support	396,912	26,003	84,859	132,804	745	1,472	38	338	176,079	(25,426)
Expenses										
Salaries, wages and benefits	231,337	8,363	43,981	73,226	542	1,164	-	-	107,873	(3,812)
Medical supplies	42,504	-	16,624	17,400	-	3	-	-	8,542	(65)
Purchased services, professional fees and other expenses	73,700	10,534	16,662	25,594	252	287	34	389	39,063	(19,115)
Depreciation and amortization	23,170	581	5,022	6,562	5	3	-	-	10,997	-
Interest	2,683	-	277	28	-	-	-	21	2,377	(20)
Insurance	8,212	6,221	1,250	1,553	3	19	2	3	888	(1,727)
Restructuring costs	692	351	84	239	-	-	-	-	18	-
Total operating expenses	382,298	26,050	83,900	124,602	802	1,476	36	413	169,758	(24,739)
Operating income (loss)	14,614	(47)	959	8,202	(57)	(4)	2	(75)	6,321	(687)
Non-operating gains (losses)										
Investment returns, net	10,078	29	1,601	4,670	278	(2)	19	(1)	3,504	(20)
Other (losses) gains	(547)	-	2	(547)	-	-	-	-	(2)	-
Change in fair value of interest rate swaps	(715)	-	-	-	-	-	-	-	(715)	-
Total non-operating gains (losses)	8,816	29	1,603	4,123	278	(2)	19	(1)	2,787	(20)
Excess (deficit) of revenues over expenses	$23,430	($18)	$2,562	$12,325	$221	($6)	$21	($76)	$9,108	($707)

See accompanying Independent Auditor's Report

Northeast Health
Consolidating Statement of Operations and Changes in Net Assets, continued
Year Ended December 31, 2012

(in thousands of dollars)

	Northeast Health	Northeast Health (NEHC)	Albany Memorial Hospital (AMHC)	Samaritan Hospital (SAMH)	The Northeast Health Foundation, Inc.	Samaritan Child Care Center, Inc. (SRCC)	Shaker Properties, Inc. (SHAK)	Samaritan Medical Office Building (SMOB)	Eddy Affiliates	Northeast Corporate Eliminations
Unrestricted net assets										
Excess (deficit) of revenues over expenses	$23,430	($18)	$2,562	$12,325	$221	($6)	$21	($76)	$9,108	($707)
Pension related change other than net periodic pension cost	(5,287)	(355)	(943)	(1,865)	3	(15)	-	-	(2,112)	-
Net assets released from restrictions used for capital purchases	395	-	23	1	-	3	-	-	368	-
Other	$1,183	($203)	178	($284)	(14)	(6)	-	-	806	706
Increase (decrease) in unrestricted net assets	19,721	(576)	1,820	10,177	210	(24)	21	(76)	8,170	(1)
Temporarily restricted net assets										
Contributions	1,620	166	275	780	1,631	3	-	-	130	(1,365)
Investment income	539	-	-	-	45	-	-	-	494	-
Change in unrealized (losses) on investments	4,080	-	98	58	(20)	-	-	-	3,944	-
Net assets released from restrictions used for capital purchases	(395)	-	(23)	(1)	-	(3)	-	-	(368)	-
Net assets released from restrictions used for operations	(632)	(5)	(44)	(257)	(569)	(1)	-	-	(325)	569
Other changes	(2,286)	(280)	(101)	(63)	(5,807)	-	-	-	(1,155)	5,120
Increase (decrease) in temporarily restricted net assets	2,926	(119)	205	517	(4,720)	(1)	-	-	2,720	4,324
Permanently restricted net assets										
Contributions	12	-	-	-	(5)	-	-	-	2	15
Net realized and unrealized gains on investments	(8)	-	-	(9)	1	-	-	-	-	-
Interest and dividends	12	-	-	-	12	-	-	-	-	-
Contribution income for contributed assets	-	-	-	-	-	-	-	-	-	-
Other changes	1,092	-	-	-	1,018	-	-	-	1,109	(1,035)
Increase (decrease) in permanently restricted net assets	1,108	-	-	(9)	1,026	-	-	-	1,111	(1,020)
Increase (decrease) in net assets	23,755	(695)	2,025	10,685	(3,484)	(25)	21	(76)	12,001	3,303
Net assets										
Beginning of year	238,139	617	37,374	88,299	7,947	95	596	545	110,887	(8,221)
End of year	$261,894	($78)	$39,399	$98,984	$4,463	$70	$617	$469	$122,888	($4,918)

See accompanying Independent Auditor's Report

Northeast Health – Eddy Affiliates
Consolidating Balance Sheet
December 31, 2012

(in thousands of dollars)	Eddy Affiliates	Eddy Affiliates Eliminations	LTC (Eddy), Inc. dba The Eddy (LTCC)	Sunnyview Hospital & Rehabilitation Center (SVRH)	The James A. Eddy Memorial Geriatric Center (EMGC)	The Capital Region Geriatric Cntr, Inc. (EVG)	Heritage House Nursing Center (HHNC)	The Marjorie Doyle Rockwell Center, Inc. (ROCK)	Beverwyck, Inc. (BVWK)
Assets									
Current assets									
Cash and cash equivalents	$26,403	$ -	$2,980	$2,320	$1,262	$6,542	$332	$2,020	$175
Investments	43,066	-	3,642	12,877	5,596	-	-	4,350	10,955
Marketable securities whose use is limited	2	-	-	-	-	-	-	-	1
Patient accounts receivable, less allowance for doubtful accounts of $14,404 for 2012	12,650	-	-	4,985	545	1,272	1,269	-	82
Other accounts receivable	2,511	(12,091)	13,023	523	114	319	4	49	303
Prepaid expenses and inventories	1,246	-	-	308	74	101	51	13	265
Total current assets	85,878	(12,091)	19,645	21,013	7,591	8,234	1,656	6,432	11,781
Marketable securities and investments whose use is limited									
Board-designated funds	9,509	-	40	2,999	2,226	-	-	-	3,251
Trustee-held funds	2,761	-	-	-	-	2,211	-	-	292
Donor-restricted funds	39,061	-	-	578	37,319	-	-	641	-
Total marketable securities and investments whose use is limited	51,331	-	40	3,577	39,545	2,211	-	641	3,543
Property and equipment, net	113,995	-	-	12,518	7,530	33,839	2,327	2,949	19,758
Posted collateral on interest rate swaps	474	-	-	474	-	-	-	-	-
Other assets	11,268	(7,324)	2,202	5,210	20	2,319	53	18	8,123
Total assets	$262,946	($19,415)	$21,887	$42,792	$54,686	$46,603	$4,036	$10,040	$43,205

See accompanying Independent Auditor's Report

Northeast Health – Eddy Affiliates, continued
Consolidating Balance Sheet
December 31, 2012

(in thousands of dollars)	Hawthorne Ridge, Inc. (HTHN)	Glen Eddy, Inc. (GLEN)	Beechwood Inc. dba Eddy Property Srvs	Senior Care Connection, Inc. (ESCS)	Home Aide Serv of East NY, Inc. (EVNA)	Empire Home Infusion Srvs, Inc. (EHIS)	Eddy Licensed Home Care Agency	EVNA Eliminations
Assets								
Current assets								
Cash and cash equivalents	$2,834	$619	$2,133	$2,068	$2,931	$175	$12	$ -
Investments	1,764	829	1,180	-	1,873	-	-	-
Marketable securities whose use is limited	-	1	-	-	-	-	-	-
Patient accounts receivable, less allowance for doubtful accounts of $14,404 for 2012	-	-	-	179	3,308	957	53	-
Other accounts receivable	72	1	68	7	2,213	1	-	(2,095)
Prepaid expenses and inventories	86	82	-	15	75	176	-	-
Total current assets	4,756	1,532	3,381	2,269	10,400	1,309	65	(2,095)
Marketable securities and investments whose use is limited								
Board-designated funds	-	750	180	-	63	-	-	-
Trustee-held funds	258	-	-	-	-	-	-	-
Donor-restricted funds	-	-	-	523	-	-	-	-
Total marketable securities and investments whose use is limited	258	750	180	523	63	-	-	-
Property and equipment, net	12,392	14,561	4,651	876	1,090	1,504	-	-
Posted collateral on interest rate swaps	-	-	-	-	-	-	-	-
Other assets	7	121	23	4	492	-	-	-
Total assets	$17,413	$16,964	$8,235	$3,672	$12,045	$2,813	$65	($2,095)

See accompanying Independent Auditor's Report

Northeast Health – Eddy Affiliates, continued
Consolidating Balance Sheet
December 31, 2012

(in thousands of dollars)	Eddy Affiliates	Eddy Affiliates Eliminations	LTC (Eddy), Inc. dba The Eddy (LTCC)	Sunnyview Hospital & Rehabilitation Center (SVRH)	The James A. Eddy Memorial Geriatric Center (EMGC)	The Capital Region Geriatric Cntr, Inc. (EVG)	Heritage House Nursing Center (HHNC)	The Marjorie Doyle Rockwell Center, Inc. (ROCK)	Beverwyck, Inc. (BVWK)
Liabilities and Net Assets									
Current liabilities									
Current portion of long-term debt	$1,900	($767)	$ -	$325	$ -	$795	$186	$ -	$500
Accounts payable and accrued expenses	12,092	-	49	3,007	657	1,258	679	30	1,361
Estimated third-party payables	(3,073)	-	-	407	368	(4,714)	(266)	-	(4)
Other current liabilities	6,587	-	-	393	107	2,338	1,250	400	284
Total current liabilities	17,506	(767)	49	4,132	1,132	(323)	1,849	430	2,141
Long-term debt, net	50,545	(11,252)	-	10,075	-	28,485	-	-	3,699
Other liabilities	5,495	(7,396)	-	2,003	-	3,367	1,260	1	143
Pension liabilites	15,796	-	-	11,617	720	1,381	600	169	198
Insurance liabilities	2,043	-	-	183	(95)	586	462	222	8
Refundable entrance fees and unearned entrance fees	48,673	-	-	-	-	-	-	-	29,181
Total liabilities	140,058	(19,415)	49	28,010	1,757	33,496	4,171	822	35,370
Net assets									
Unrestricted	76,839	-	21,557	11,321	15,513	11,489	(193)	8,303	7,129
Temporarily restricted	30,070	-	281	974	26,260	601	58	182	193
Permanently restricted	15,979	-	-	2,487	11,156	1,017	-	733	513
Total net assets	122,888	-	21,838	14,782	52,929	13,107	(135)	9,218	7,835
Total liabilities and net assets	$262,946	($19,415)	$21,887	$42,792	$54,686	$46,603	$4,036	$10,040	$43,205

See accompanying Independent Auditor's Report

Northeast Health – Eddy Affiliates, continued
Consolidating Balance Sheet
December 31, 2012

(in thousands of dollars)	Hawthorne Ridge, Inc. (HTHN)	Glen Eddy, Inc. (GLEN)	Beechwood Inc. dba Eddy Property Srvs	Senior Care Connection, Inc. (ESCS)	Home Aide Serv of East NY, Inc. (EVNA)	Empire Home Infusion Srvs, Inc. (EHIS)	Eddy Licensed Home Care Agency	EVNA Eliminations
Liabilities and Net Assets								
Current liabilities								
Current portion of long-term debt	$280	$581	$ -	$ -	$ -	$ -	$ -	$ -
Accounts payable and accrued expenses	365	546	34	1,375	2,179	548	4	-
Estimated third-party payables	-	-	-	408	728	-	-	-
Other current liabilities	516	837	6	183	12	140	121	-
Total current liabilities	1,161	1,964	40	1,966	2,919	688	125	-
Long-term debt, net	8,285	9,876	1,377	-	-	-	-	-
Other liabilities	3,488	195	-	2,435	-	(1)	-	-
Pension liabilites	65	65	-	196	780	5	-	-
Insurance liabilities	4	3	-	426	218	26	-	-
Refundable entrance fees and unearned entrance fees	5,296	14,196	-	-	-	-	-	-
Total liabilities	18,299	26,299	1,417	5,023	3,917	718	125	-
Net assets								
Unrestricted	(1,125)	(10,043)	6,768	(1,371)	7,551	2,095	(60)	(2,095)
Temporarily restricted	235	702	50	20	514	-	-	-
Permanently restricted	4	6	-	-	63	-	-	-
Total net assets	(886)	(9,335)	6,818	(1,351)	8,128	2,095	(60)	(2,095)
Total liabilities and net assets	$17,413	$16,964	$8,235	$3,672	$12,045	$2,813	$65	($2,095)

See accompanying Independent Auditor's Report

Northeast Health – Eddy Affiliates
Consolidating Statement of Operations and Changes in Net Assets
Year Ended December 31, 2012

(in thousands of dollars)

	Eddy Affiliates	Eddy Affiliates Eliminations	LTC (Eddy), Inc dba The Eddy (LTCC)	Sunnyview Hospital & Rehabilitation Center (SVRH)	The James A Eddy Memorial Geriatric Center (EMGC)	The Capital Region Geriatric Cntr, Inc (EVG)	Heritage House Nursing Center (HHNC)	The Marjorie Doyle Rockwell Center, Inc (ROCK)	Beverwyck, Inc (BVWK)
Unrestricted revenue, gains and other support									
Net patient service revenue	$142,354	($419)	$ -	$45,575	$7,925	$20,521	$11,872	($35)	$3,112
Other operating revenue	31,801	(982)	-	1,890	3,587	91	180	3,659	9,512
Unrestricted contributions	1,599	-	1,503	90	-	2	-	-	-
Net assets released from restrictions used for operations	325	-	-	57	18	5	3	36	24
Total unrestricted revenues, gains and other support	176,079	(1,401)	1,503	47,612	11,530	20,619	12,055	3,660	12,648
Expenses									
Salaries, wages and benefits	107,873	1	50	30,387	6,831	12,449	8,992	2,452	4,449
Medical supplies	8,542	(30)	-	3,812	135	286	536	10	31
Purchased services, professional fees and other expenses	39,063	(1,373)	877	8,294	2,920	4,038	2,563	792	3,596
Depreciation and amortization	10,997	-	-	1,391	703	2,290	594	445	2,024
Interest	2,377	(250)	-	567	-	1,229	81	-	107
Insurance	888	-	-	408	45	85	42	18	64
Restructuring costs	18	-	-	-	4	-	-	3	3
Total operating expenses	169,758	(1,652)	927	44,859	10,638	20,377	12,808	3,720	10,274
Operating income (loss)	6,321	251	576	2,753	892	242	(753)	(60)	2,374
Non-operating gains (losses)									
Investment returns, net	3,504	(250)	476	1,256	519	6	(4)	373	727
Other changes	(2)	-	-	(12)	-	-	-	-	3
Change in fair value of interest rate swaps	(715)	-	-	12	-	(673)	-	-	-
Total non-operating gains (losses)	2,787	(250)	476	1,256	519	(667)	(4)	373	730
Excess (deficit) of revenues over expenses	$9,108	$1	$1,052	$4,009	$1,411	($425)	($757)	$313	$3,104

See accompanying Independent Auditor's Report

Northeast Health – Eddy Affiliates
Consolidating Statement of Operations and Changes in Net Assets, continued
Year Ended December 31, 2012

(in thousands of dollars)

	Hawthorne Ridge, Inc. (HTHN)	Glen Eddy, Inc. (GLEN)	Beechwood Inc. dba Eddy Property Srvs	Senior Care Connection, Inc. (ESCS)	Home Aide Serv of East NY, Inc. (EVNA)	Empire Home Infusion Srvs, Inc. (EHIS)	Eddy Licensed Home Care Agency	EVNA Eliminations
Unrestricted revenue, gains and other support								
Net patient service revenue	$ -	($2)	$ -	$11,831	$33,796	$8,018	$392	($232)
Other operating revenue	5,872	6,376	825	264	708	7	-	(188)
Unrestricted contributions	-	-	-	-	4	-	-	-
Net assets released from restrictions used for operations	2	3	-	-	177	-	-	-
Total unrestricted revenues, gains and other support	5,874	6,377	825	12,095	34,685	8,025	392	(420)
Expenses								
Salaries, wages and benefits	2,716	2,380	24	6,045	27,760	3,140	409	(212)
Medical supplies	4	3	-	1,101	445	2,229	-	(20)
Purchased services, professional fees and other expenses	1,709	2,571	142	5,094	5,967	1,811	62	-
Depreciation and amortization	787	1,202	304	229	420	608	-	-
Interest	347	296	-	-	-	-	-	-
Insurance	34	33	15	17	85	42	-	-
Restructuring costs	4	4	-	-	-	-	-	-
Total operating expenses	5,601	6,489	485	12,486	34,677	7,830	471	(232)
Operating income (loss)	273	(112)	340	(391)	8	195	(79)	(188)
Non-operating gains								
Investment returns, net	71	65	95	-	177	(7)	-	-
Other changes	-	7	-	-	-	-	-	-
Change in fair value of interest rate swaps	(54)	-	-	-	-	-	-	-
Total non-operating gains	17	72	95	-	177	(7)	-	-
Excess (deficit) of revenues over expenses	$290	($40)	$435	($391)	$185	$188	($79)	($188)

See accompanying Independent Auditor's Report

Northeast Health – Eddy Affiliates
Consolidating Statement of Operations and Changes in Net Assets, continued
Year Ended December 31, 2012

(in thousands of dollars)

	Eddy Affiliates	Eddy Affiliates Eliminations	LTC (Eddy), Inc. dba The Eddy (LTCC)	Sunnyview Hospital & Rehabilitation Center (SVRH)	The James A. Eddy Memorial Geriatric Center (EMGC)	The Capital Region Geriatric Cntr, Inc. (EVG)	Heritage House Nursing Center (HHNC)	The Marjorie Doyle Rockwell Center, Inc. (ROCK)	Beverwyck, Inc. (BVWK)
Unrestricted net assets									
Excess (deficit) of revenues over expenses	$9,108	$1	$1,052	$4,009	$1,411	($425)	($757)	$313	$3,104
Pension related change other than net periodic pension cost	(2,112)	-	-	(1,244)	(127)	6	(112)	(32)	(44)
Net assets released from restrictions used for capital purchases	368	-	-	155	203	2	8	-	-
Other	806	-	(637)	34	-	141	-	-	-
Increase (decrease) in unrestricted net assets	8,170	1	415	2,954	1,487	(276)	(861)	281	3,060
Temporarily restricted net assets									
Contributions	130	-	-	246	(1,452)	217	37	61	34
Investment loss	494	-	-	-	492	-	-	-	2
Change in unrealized (losses) on investments	3,944	-	-	-	3,944	-	-	-	-
Net assets released from restrictions used for capital purchases	(368)	-	-	(155)	(203)	(2)	(8)	-	-
Net assets released from restrictions used for operations	(325)	-	-	(57)	(18)	(5)	(3)	(36)	(24)
Other changes	(1,155)	-	(46)	-	6	(1,017)	1	(102)	1
Increase (decrease) in temporarily restricted net assets	2,720	-	(46)	34	2,769	(807)	27	(77)	13
Permanently restricted net assets									
Contributions	2	-	-	-	-	-	-	-	2
Contribution income for contributed assets	-	-	-	-	-	-	-	-	-
Other changes	1,109	-	-	-	-	1,018	-	91	-
Increase (decrease) in permanently restricted net assets	1,111	-	-	-	-	1,018	-	91	2
Increase (decrease) in net assets	12,001	1	369	2,988	4,256	(65)	(834)	295	3,075
Net assets									
Beginning of year	110,887	(1)	21,469	11,794	48,673	13,172	699	8,923	4,760
End of year	$122,888	$ -	$21,838	$14,782	$52,929	$13,107	($135)	$9,218	$7,835

See accompanying Independent Auditor's Report

Northeast Health – Eddy Affiliates
Consolidating Statement of Operations and Changes in Net Assets, continued
Year Ended December 31, 2012

(in thousands of dollars)

	Hawthorne Ridge, Inc. (HTHN)	Glen Eddy, Inc. (GLEN)	Beechwood Inc. dba Eddy Property Srvs	Senior Care Connection, Inc. (ESCS)	Home Aide Serv of East NY, Inc. (EVNA)	Empire Home Infusion Srvs, Inc. (EHIS)	Eddy Licensed Home Care Agency	EVNA Eliminations
Unrestricted net assets								
Excess (deficit) of revenues over expenses	$290	($40)	$435	($391)	$185	$188	($79)	($188)
Pension related change other than net periodic pension cost	(22)	(22)	-	(57)	(458)	-	-	-
Net assets released from restrictions used for capital purchases	-	-	-	-	-	-	-	-
Contributions for capital purchases	271	-	929	16	52	-	-	-
Increase (decrease) in unrestricted net assets	539	(62)	1,364	(432)	(221)	188	(79)	(188)
Temporarily restricted net assets								
Contributions	163	361	-	2	461	-	-	-
Investment loss	-	-	-	-	-	-	-	-
Change in unrealized (losses) on investments	-	-	-	-	-	-	-	-
Net assets released from restrictions used for capital purchases	-	-	-	-	-	-	-	-
Net assets released from restrictions used for operations	(2)	(3)	-	-	(177)	-	-	-
Other changes	-	-	-	2	-	-	-	-
Increase (decrease) in temporarily restricted net assets	161	358	-	4	284	-	-	-
Permanently restricted net assets								
Contributions	-	-	-	-	-	-	-	-
Contribution income for contributed assets	-	-	-	-	-	-	-	-
Other changes	-	-	-	-	-	-	-	-
Increase (decrease) in permanently restricted net assets	-	-	-	-	-	-	-	-
Increase (decrease) in net assets	700	296	1,364	(428)	63	188	(79)	(188)
Net assets								
Beginning of year	(1,586)	(9,631)	5,454	(923)	8,065	1,907	19	(1,907)
End of year	($886)	($9,335)	$6,818	($1,351)	$8,128	$2,095	($60)	($2,095)

See accompanying Independent Auditor's Report

Seton Health
Consolidating Balance Sheet
December 31, 2012

(in thousands of dollars)	Seton Health	Seton Health System, Inc.	Affiliated Management Services Corp (AMSC)	Seton Real Property Holdings	Schuyler Ridge	Seton Health Foundation	Seton Auxiliary	Seton Corporate Eliminations
Assets								
Current assets								
Cash and cash equivalents	$12,152	$9,587	$ -	$ -	Estimated thirc	Estimated thir	Estimated thir	$ -
Investments	44,789	33,828	-	-	9,481	1,480	-	-
Marketable securities whose use is limited	249	-	-	-	249	-	-	-
Patient accounts receivable, less allowance for doubtful accounts of $8,427 for 2012	10,624	9,674	-	-	950	-	-	-
Other accounts receivable	1,608	2,206	3,242	133	8	(631)	7	(3,357)
Prepaid expenses and inventories	2,373	2,270	-	-	77	1	25	-
Total current assets	71,795	57,565	3,242	133	10,765	850	32	(3,357)
Marketable securities and investments whose use is limited								
Board-designated funds	27,914	27,114	-	-	-	800	-	-
Donor-restricted funds	2,983	510	-	-	10	2,463	-	-
Investments	214	-	-	-	-	214	-	-
Total marketable securities and investments whose use is limited	31,111	27,624	-	-	10	3,477	-	-
Property and equipment, net	27,927	18,860	1,908	460	6,591	108	-	-
Other assets	5,837	7,959	-	-	884	-	-	(3,006)
Total assets	$136,670	$112,008	$5,150	$593	$18,250	$4,435	$32	($6,363)

See accompanying Independent Auditor's Report

Seton Health
Consolidating Balance Sheet, continued
December 31, 2012

(in thousands of dollars)	Seton Health	Seton Health System, Inc.	Affiliated Management Services Corp (AMSC)	Seton Real Property Holdings	Schuyler Ridge	Seton Health Foundation	Seton Auxiliary	Seton Corporate Eliminations
Liabilities and Net Assets								
Current liabilities								
Current portion of long-term debt	$42,298	$33,066	$22	$ -	$9,232	$ -	$ -	($22)
Accounts payable and accrued expenses	11,839	11,046	1,836	17	1,352	15	20	(2,447)
Estimated third-party payables	6,261	5,898	-	-	363	-	-	-
Other current liabilities	2,150	1,645	-	-	505	-	-	-
Total current liabilities	62,548	51,655	1,858	17	11,452	15	20	(2,469)
Other liabilities	4,551	4,186	3,117	-	365	-	-	(3,117)
Pension liabilities	664	600	-	-	64	-	-	-
Insurance liabilities	4,348	3,443	-	-	905	-	-	-
Total liabilities	72,111	59,884	4,975	17	12,786	15	20	(5,586)
Net assets								
Unrestricted	61,317	51,496	175	576	7,485	2,269	93	(777)
Temporarily restricted	2,721	127	-	-	-	2,594	-	-
Permanently restricted	521	501	-	-	-	20	-	-
Total net assets	64,559	52,124	175	576	7,485	4,883	93	(777)
Total liabilities and net assets	$136,670	$112,008	$5,150	$593	$20,271	$4,898	$113	($6,363)

See accompanying Independent Auditor's Report

Seton Health
Consolidating Statement of Operations and Changes in Net Assets
Year Ended December 31, 2012

(in thousands of dollars)

	Seton Health	Seton Health System, Inc.	Affiliated Management Services Corp (AMSC)	Seton Real Property Holdings	Schuyler Ridge	Seton Health Foundation	Seton Auxiliary	Seton Corporate Eliminations
Unrestricted revenue, gains and other support								
Net patient service revenue	$130,146	$117,652	$ -	$ -	$12,494	$ -	$ -	$ -
Other operating revenue	1,881	1,460	404	17	28	181	201	(410)
Unrestricted contributions	375	75	-	-	-	300	-	-
Net assets released from restrictions used for operations	235	63	-	-	6	166	-	-
Total unrestricted revenues, gains and other support	132,637	119,250	404	17	12,528	647	201	(410)
Expenses								
Salaries, wages and benefits	81,327	72,856	-	-	7,899	-	-	572
Medical supplies	13,471	13,092	-	-	379	-	-	-
Purchased services, professional fees and other expenses	31,896	29,383	147	16	2,755	388	189	(982)
Depreciation and amortization	2,802	2,224	116	24	438	-	-	-
Interest	658	472	47	-	139	-	-	-
Insurance	1,776	1,676	-	-	100	-	-	-
Restructuring costs	1,044	1,044	-	-	-	-	-	-
Total operating expenses	132,974	120,747	310	40	11,710	388	189	(410)
Operating income (loss)	(337)	(1,497)	94	(23)	818	259	12	-
Non-operating gains (losses)								
Investment returns, net	6,431	5,670	-	-	784	(23)	-	-
Equity in earnings (losses) of unconsolidated organization	-	93	-	-	-	-	-	(93)
Loss on extinguishment of debt	-	-	-	-	-	-	-	-
Other	(12)	(12)	-	600	-	-	-	(600)
Total non-operating gains (losses)	6,419	5,751	-	600	784	(23)	-	(693)
Excess (deficit) of revenues over expenses	$6,082	$4,254	$94	$577	$1,602	$236	$12	($693)

See accompanying Independent Auditor's Report

Seton Health
Consolidating Statement of Operations and Changes in Net Assets, continued
Year Ended December 31, 2012

(in thousands of dollars)

	Seton Health	Seton Health System, Inc.	Seton Licensed Home Care (SLHC)	Affiliated Management Services Corp (AMSC)	Seton Real Property Holdings	Schuyler Ridge	Seton Health Foundation	Seton Auxiliary	Seton Corporate Eliminations
Unrestricted net assets									
Excess (deficit) of revenues over expenses	$6,082	$4,254	$ -	$94	$577	$1,602	$236	$12	($693)
Pension related change other than net periodic pension cost	6,428	5,726	-	-	-	702	-	-	-
Net assets released from restrictions used for capital purchases	45	42	-	-	-	3	-	-	-
Other	(66)	(652)	586	-	(1)	9	(3)	(6)	1
Increase (decrease) in unrestricted net assets	12,489	9,370	586	94	576	2,316	233	6	(692)
Temporarily restricted net assets									
Contributions	70	10	-	-	-	7	53	-	-
Net assets released from restrictions used for capital purchases	(45)	(42)	-	-	-	(3)	-	-	-
Net assets released from restrictions used for operations	(235)	42	-	-	-	3	(280)	-	-
Other changes	(32)	(12)	-	-	-	(17)	(3)	-	-
Decrease in temporarily restricted net assets	(242)	(2)	-	-	-	(10)	(230)	-	-
Increase (decrease) in net assets	12,247	9,368	586	94	576	2,306	3	6	(692)
Net assets									
Beginning of year	52,312	42,756	(586)	81	-	5,179	4,880	87	(85)
End of year	$64,559	$52,124	$0	$175	$576	$7,485	$4,883	$93	($777)

See accompanying Independent Auditor's Report